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ABSTRACT

This monograph synthesizes findings from five large-scale studies investigating welfare and employment programs in order to examine the effects on children of key policies: providing financial support for working families, requiring single parents to work, and limiting time on welfare. It identifies program features associated with effects on children's school achievement, social behavior, and health. The studies randomly placed parents in either a program group, which had access to new services and benefits and was subject to new rules, or a control group, which received benefits and was subject to previously existing rules. In surveys conducted 2-4 years after parents entered the studies, children's school achievement, social behavior, and health were measured, and a subset of single parents was analyzed. Overall, programs that included earnings supplements for parents who went to work positively affected elementary students, whose academic achievement surpassed that of children in the traditional welfare system. Adding mandatory employment services did not greatly reduce those positive effects. Programs with mandatory employment services and programs with time limits had few effects on children. They did have some negative effects on adolescent behavior and school achievement. The positive effects of earnings supplement programs on children were most pronounced for children of long-term welfare

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recipients. An appendix presents outcome levels and impacts underlying effect sizes presented in this monograph. (Contains 76 references.) (SM)

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The Next Generation

UD

How Welfare and Work Policies Affect Children: A Synthesis of Research

Pamela A. Morris
Aletha C. Huston
Greg J. Duncan
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March 2001

Manpower Demonstration Research Corporation

The Next Generation Project

This report is part of the Next Generation, a project that examines the effects of welfare, antipoverty, and employment policies on children and families. Drawing on rich data from recent welfare reform evaluations, the project aims to inform the work of policymakers, practitioners, and researchers by identifying policy-relevant lessons that cut across evaluations.

Foundation partners
The Next Generation project is funded by the David and Lucile Packard Foundation, William T. Grant Foundation, and John D. and Catherine T. MacArthur Foundation.

Research partners
The project is a collaboration among researchers from MDRC, the University of Texas at Austin, Northwestern University, the University of California at Los Angeles, Kent State University, the University of Michigan, New York University, and the Social Research and Demonstration Corporation.

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Preface

This is the first report from the Next Generation project, an innovative collaboration among researchers at MDRC, several other leading research institutions, and the foundation funding partners that is aimed at understanding the effects of welfare and employment policies on low-income children and families. The collaborative and interdisciplinary nature of the project is reflected in the combination of authors of this document — Pamela Morris and Johannes Bos at MDRC, Aletha Huston and Danielle Crosby at the University of Texas at Austin, and Greg Duncan at Northwestern University — who together represent the fields of developmental psychology, economics, and policy analysis.

The monograph provides the first comprehensive look at the findings from several recent evaluations of welfare and employment programs in order to examine the effects on children of three key policy approaches: providing financial supports to working families, requiring single parents to work, and limiting the length of time families can receive welfare. The studies on which this work is based were begun prior to the landmark federal welfare reforms of 1996, but many states have incorporated one or more of these policies into their post-1996 programs.

The most consistent finding is that programs that provided financial supports to parents who went to work — and increased parental employment and family income as a result — improved outcomes for children. Four of the 11 programs examined here offered such financial supports; in all four, elementary school-aged children's school achievement was higher than that of children whose families were in the traditional welfare system. Thus, it appears that such programs have the potential not only to support the working poor but also to complement education reforms aimed at improving the school achievement of low-income children.

The document also provides some reassurance about the effects on children of requiring single parents to participate in work-related activities. The six programs examined here that increased parental employment through such mandatory employment services showed little evidence of negatively affecting elementary school-aged children, and they saved the government money. However, these programs also showed little evidence of benefiting these children. Regarding older children, for whom outcomes were examined in two of the studies included here, the report sounds a note of caution: Both programs increased parental employment but had some negative effects on adolescents' behavior and school achievement.

Overall, the findings suggest that policymakers face a choice between offering mandatory employment services without financial work supports, which increase parental employment and reduce welfare dependence but have only neutral effects on children, and providing financial work supports, which increase parental employment, boost family income, and benefit children but also raise government expenditures.

This monograph represents the kind of cross-cutting research synthesis — one directly relevant to policymakers — that is the mission of the Next Generation project. The project's continuing work will provide more detailed analyses of how job characteristics, child care policies, and family income affect low-income children.

Judith M. Gueron
President

Acknowledgments

We are indebted to the Next Generation project's original director, Robert Granger, for his vision and dedication to developing the project. We are also grateful to the project's funders — the David and Lucile Packard Foundation, William T. Grant Foundation, and John D. and Catherine T. MacArthur Foundation — for their support, enthusiasm, and recognition of the value of this multistudy, collaborative effort.

The Next Generation project would not be possible without the program evaluations on which it is based, all of whose sponsors generously permitted us to use the original data. Those evaluations were supported by numerous federal agencies, state agencies, and foundations, which are thanked individually in the evaluation reports.

The Next Generation project has benefited in particular from the foresight and leadership shown by officials at the U.S. Department of Health and Human Services (HHS), Office of the Assistant Secretary for Planning and Evaluation (ASPE) and Administration for Children and Families (ACF), in their role in the original evaluations. ASPE helped to pioneer research on welfare and employment programs' effects on children by including information on children's outcomes in the National Evaluation of Welfare-to-Work Strategies (NEWWS). ACF developed the Project on State-Level Child Outcomes, an effort currently under way to include comparable measures of children's well-being in five state welfare reform evaluations.

Several of the evaluations benefited from the work of researchers at Child Trends, particularly that of Kristin Moore, Martha Zaslow, and Sharon McGroder. Child Trends is conducting the Child Outcomes Study in the NEWWS evaluation under subcontract to MDRC. Child Trends also played a central coordinating role in the Project on State-Level Child Outcomes, which is a collaboration among Child Trends, HHS (as initiator and funder), MDRC (as evaluator in Minnesota, Florida, and Connecticut), Mathematica Policy Research (as evaluator in Iowa), and Abt Associates (as evaluator in Indiana), with input from state participants and the National Institute of Child Health and Human Development (NICHD) Family and Child Well-Being Research Network. Child Trends was particularly instrumental in the conceptualization and design of the survey modules focused on children's outcomes.

A number of reviewers provided invaluable feedback on this monograph. Gayle Hamilton and Lisa Gennetian at MDRC provided key guidance throughout the process. In addition, Virginia Knox, Judith Gueron, Judith Greissman, Barbara Goldman, and Gordon Berlin at MDRC offered critical insights into the analysis and presentation of the findings. The report also benefited from input and comments from Kristin Moore, Martha Zaslow, and Sharon McGroder at Child Trends; Martha Moorehouse, Audrey Mirsky-Ashby, and Howard Rolston at HHS; and Hiro Yoshikawa at New York University. We would also like to thank Christopher Jencks for his feedback on an early presentation of the findings.

The monograph benefited tremendously from the dedication of Phuong Tang, who created all the tables and figures, fact-checked the report, and coordinated production of the document. Thanks are also due Frank Tsai and Wanda Vargas at MDRC for conducting analyses for the monograph and Young Chang at the University of Texas for her assistance in the analysis and presentation of the results. Christina Gibson and Katherine Magnusson at Northwestern University also provided invaluable assistance. The monograph was edited by Valerie M. Chase with the assistance of Robert Weber, and Stephanie Cowell did the word processing.

The Authors

Executive Summary

Over the past 30 years, welfare and other public policies for families living in poverty have developed a primary objective of increasing parents' self-sufficiency by requiring and supporting employment. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), passed in 1996, was a milestone in this effort, limiting the length of time that families can receive federal cash welfare assistance and requiring most of them to participate in employment-related activities to be eligible for such assistance. In addition, during the 1990s the maximum benefits available to working-poor families through the Earned Income Credit (the federal tax credit that supplements the earnings of low-income families), publicly funded health insurance, and child care assistance were expanded to reward work outside the welfare system. Because many of these benefit expansions encourage parental employment, and because other changes have weakened the safety net for families in which parents do not maintain employment, all these developments may have important consequences for children.

Proponents of changes in welfare policy have argued that parental employment benefits children by providing them with family role models who work and are self-sufficient and by introducing a regular schedule into the family routine. But employment may also create stress in the family, reduce parents' opportunities to spend time with their children, and interfere with parents' monitoring of their children's activities — particularly in single-parent families. Children may also be influenced by parental employment through changes in family resources: If family income or subsidies supporting such work-related needs as child care increase, children may benefit; if family resources decrease, children may be harmed. The critical question for policy is not "What are the effects of welfare reform on children?" Instead, it is "What program features are most likely to promote children's well-being?" or, conversely, "What program features harm children or leave them unaffected?"

In this monograph, we synthesize the results of five large-scale studies (see text box) that together examine the effects on children of 11 different employment-based welfare and antipoverty programs aimed primarily at single-parent families. (A companion document[1] examines the effects of these and other programs on parental employment, welfare use, and income.) Specifically, we attempt to identify the program features that are associated with effects on children's school achievement, social behavior, and health. Although all the studies were under way by 1996, they were designed to test the effects of many program features that have been implemented by the states since the federal welfare law of 1996 was passed. The monograph is a product of the Next Generation project, a collaboration among researchers at the Manpower Demonstration Research Corporation (MDRC) and several leading research institutions that is being funded by the David and Lucile Packard Foundation, William T. Grant Foundation, and John D. and Catherine T. MacArthur Foundation.

We classify the programs in these studies on the basis of three features that might have affected the experiences of children in the participating families:

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[1] *How Welfare and Work Policies Affect Employment and Income: A Synthesis of Research* (MDRC). 2001. Dan Bloom and Charles Michalopoulos.

Studies Examined in This Monograph

The Next Generation project analyzes data from five program evaluations, building on their research designs, outcome measures, and impact analyses. The evaluations, and the organizations that conducted them, are listed below.

Florida's *Family Transition Program* was evaluated by MDRC under contract to the Florida Department of Children and Families.

The *Minnesota Family Investment Program* was evaluated by MDRC under contract to the Minnesota Department of Human Services.

The *National Evaluation of Welfare-to-Work Strategies* is being conducted by MDRC under contract to the U.S. Department of Health and Human Services. The Child Outcomes Study, which examines program impacts on young children, is being conducted by Child Trends under subcontract to MDRC.

The *New Hope* program is being evaluated by MDRC under contract to the New Hope Project, Inc., in collaboration with researchers from Northwestern University, the University of Texas at Austin, the University of Michigan, and the University of California at Los Angeles.

The *Self-Sufficiency Project* was conceived by Human Resources Development Canada. The project is being managed by the Social Research and Demonstration Corporation (SRDC) and evaluated by SRDC and MDRC.

1. **Earnings supplements.** Four of the programs offered generous *earnings supplements* designed to make work more financially rewarding by providing families with cash supplements or by increasing the amount of welfare that parents could keep when they went to work. (One of the programs also supplemented earnings less directly by subsidizing child care and health care beyond the levels provided in the community.) Earnings supplements are intended to increase family resources as well as to encourage parental employment, and in the programs under study they generally succeeded in achieving both of these goals. While some of the programs with earnings supplements included other components as well, the provision of supplements was the only feature that the four programs in this category shared.

2. **Mandatory employment services.** Six of the programs provided only *mandatory employment services* — such as education, training, or immediate job search — in which parents were required to participate to be eligible to receive cash welfare benefits. Parents who failed to comply were subject to sanctions in the form of reduced welfare grants. The six programs in this category included mandatory employment services without any earnings supplements or time limits. In the programs under study, participation mandates (designed primarily to increase employment) were generally successful in raising employment rates. When mandates were implemented without earnings supple-

ments, participants lost welfare benefits as they gained earnings, so these programs did not usually raise family income or resources.

3. **Time limits.** One of the programs under study put *time limits* on families' eligibility for welfare benefits, restricting eligibility to a certain number of months in a specified period. This program was a pilot welfare reform initiative implemented prior to 1996 under waivers of federal welfare rules. Until 1996, cash welfare assistance was a federal entitlement that was available as long as it was needed. The federal welfare law of 1996 sets a lifetime limit of five years on cash assistance receipt, but states may impose shorter limits or extend the time limits by using state funds. States may also exempt 20 percent of the caseload from the limits for hardship reasons. Once a family reaches the time limit, federally funded cash benefits are terminated, but the family normally remains eligible for food stamps, Medicaid, low-income child care assistance, and (where available) state-supported cash assistance. The program with time limits combined them with mandatory employment services and a small earnings supplement; the result was an increase in parental employment but only a modest increase in family income.

All the studies reviewed used a rigorous random assignment research design. Parents were placed at random in either a program group, which had access to the new services and benefits and was subject to the new rules, or a control group, which received the benefits and was subject to the rules that had previously existed in the locality of the study site or sites. In most cases, members of the control group were eligible for cash assistance through Aid to Families with Dependent Children (AFDC), the cash welfare program in effect prior to 1996. Because parents were assigned to the groups at random, the average characteristics of families in the program and control groups should not have differed systematically at the outset. The random assignment method thus ensures that any differences between the two groups found during the study are due to the new program rather than to differences in the families' initial characteristics or the general economic and social conditions that they experienced.

In surveys conducted two to four years after parents entered the studies examined here, children's school achievement, social behavior, and health were measured using parents' reports and, in some studies, standardized tests or teachers' reports. To ensure the comparability of results, we focused on a subset of measures that were similar across studies yet represented a wide range of outcomes for children that might be affected by welfare and work policies. Using these measures, we conducted analyses for subsamples composed of single parents — the great majority of whom were women — with children who ranged in age from approximately 3 to 9 when their parents entered the study. At the time at which school achievement, behavior, and health were measured, the children's approximate age range was 5 to 12. The findings for all the measures of children's well-being and for the full samples can be found in the reports from the individual studies.[2]

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[2] *The Family Transition Program: Final Report on Florida's Initial Time-Limited Welfare Program* (MDRC). 2000. Dan Bloom, James Kemple, Pamela Morris, Susan Scrivener, Nandita Verma, Richard Hendra.

Impacts on Young Children and Their Families Two Years After Enrollment: Findings from the Child Outcomes Study (U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation and Administration for Children and Families; and U.S. Department of Education, Office of the Under Secretary

The difference between the children in the program group families and those in the control group families on a given outcome is referred to as the program's *impact* on that outcome. For each of the programs, we computed impacts and tested whether the impacts were statistically significant (that is, unlikely to have occurred by chance). We also examined the patterns of impacts for the programs that shared each of the three features introduced above. "Increases" and "decreases" refer to the differences that emerged over time between the program and control groups. Our main findings follow.

- **The programs that included earnings supplements, all of which increased both parental employment and income, had positive effects on elementary school-aged children.** All four programs that provided earnings supplements led to higher school achievement. Some of the programs also reduced behavior problems, increased positive social behavior, and/or improved children's overall health.

- **Adding mandatory employment services did not generally reduce the positive effects of earnings supplements on children.** The only program that included mandatory employment services in addition to an earnings supplement increased parents' full-time employment but generally did not affect children's outcomes beyond having the same positive effects as the program did when it was implemented with earnings supplements alone.

- **The programs with mandatory employment services, all of which boosted parental employment without increasing income, had few effects on children, and the effects were mixed in direction.** These six programs had relatively few noteworthy effects on children. When impacts were found, the effects were about equally likely to be positive as negative. The pattern of impacts appeared to be more closely associated with particular sites than with program characteristics like participation mandates.

- **The program with time limits, which led to an increase in parental employment and a modest increase in income, produced few noteworthy impacts on children, and the impacts found did not suggest a consistent pattern of benefit or harm.** Our knowledge base is smallest with regard to the impacts of time limits because only one program had time limits, and this program combined them with mandatory employment services and a small earnings supplement. The program's few impacts on children were mixed: Health improved, but positive social behavior decreased.

These general conclusions are subject to the following caveats:

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and Office of Vocational and Adult Education). National Evaluation of Welfare-to-Work Strategies. 2000. Sharon McGroder, Martha Zaslow, Kristin Moore, Suzanne LeMenestrel.

New Hope for People with Low Incomes: Two-Year Results of a Program to Reduce Poverty and Reform Welfare (MDRC). 1999. Johannes Bos, Aletha Huston, Robert Granger, Greg Duncan, Thomas Brock, Vonnie McLoyd.

Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program: Volume 2: Effects on Children (MDRC). 2000. Lisa Gennetian, Cynthia Miller.

The Self-Sufficiency Project at 36 Months: Effects on Children of a Program That Increased Parental Employment and Income (Social Research and Demonstration Corporation). 2000. Pamela Morris and Charles Michalopoulos.

- **Although the effects of earnings supplements on children are encouraging, the improvements are modest when considered in the context of these children's high levels of disadvantage.** Even the programs with the most benefits to children left many families in poverty and many children at risk of school failure and behavior problems. These programs do not eliminate the need for child-focused interventions and reforms that promote school achievement and reduce behavior problems.

- **The positive effects of earnings supplement programs on children were most pronounced for the children of long-term welfare recipients.** For families in which the parent had a long history of using welfare, the programs with earnings supplements improved children's development and increased parental employment and family income.

- **The conclusions in this monograph are limited to preschool-aged and elementary school-aged children. Infants and toddlers, as well as adolescents, may be affected differently by the welfare reform approaches examined here.** Too few of the studies considered here specifically examined children under age 3 for general conclusions to be drawn. For adolescents, however, two of the studies (one examining a program with an earnings supplement and another a program with a time limit) found decreases in school achievement and increases in behavior problems among adolescents.

- **Although the program features examined in this monograph are similar to those included in many programs that have been implemented by states since 1996, they do not represent the full range of earnings supplements, participation mandates, and time limits currently in effect**. The patterns from which these broad conclusions are drawn were observed in programs in different geographic regions with different population characteristics, justifying some confidence that the findings will generalize across different contexts. Nonetheless, most of the studies were conducted prior to the passage of the 1996 federal welfare legislation, and their impacts could be different in a different macroeconomic or policy context. Moreover, while the policies examined here are representative of some of the state policies currently in effect, policies that provide less generous supplements or impose more stringent mandates or time limits than those examined here may have different effects on children.

The welfare reforms initiated by the states and the legislated changes in the 1990s did not lead to one new welfare policy but to a variety of policies that continue to evolve. As welfare caseloads decline, federal and state policies are generally being expanded to reach all working-poor families, regardless of their welfare status. The findings of this synthesis may guide policy choices that promote the development of children both in families receiving welfare and in other low-income families. Welfare reforms and antipoverty programs can have a positive impact on children's development if they increase employment and income, but increasing employment alone does not appear sufficient to foster the healthy development of children. Children living in poverty are at risk of low achievement, behavior problems, and health problems, so it is critical that policies affecting their families enhance children's well-being rather than leaving them at the same level of deprivation and risk that they experienced under the former welfare system. We hope that this analysis will help state and federal policymakers make informed choices that keep the effects on children in focus as they design legislation that affects low-income parents.

Chapter 1

Introduction

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), passed in 1996, was the culmination of several decades of efforts to promote work and reduce long-term welfare receipt among single-parent families, the great majority of which are headed by women. As a result of these efforts, the welfare system was not only transformed, but benefits for working-poor families were expanded to reward work outside the welfare system through the Earned Income Credit (EIC, the federal tax credit that supplements the earnings of low-income families), publicly funded health insurance, and child care assistance. Whether promoting work among low-income single parents helps or hurts children, and under what conditions, is the subject of this monograph. The monograph is a product of the Next Generation project, a collaboration among researchers at the Manpower Demonstration Research Corporation (MDRC) and several leading research institutions that is being funded by the David and Lucile Packard Foundation, William T. Grant Foundation, and John D. and Catherine T. MacArthur Foundation.

Proponents of the policy changes have argued that parental employment benefits children by increasing parents' self-esteem and providing children with positive role models. Skeptics worry that greater work responsibilities may harm children by increasing parents' stress, reducing the amount of time parents can spend with their children and monitoring them, and increasing the amount of time children spend in low-quality child care arrangements. For parents unable to maintain consistent employment, skeptics also worry that the loss of a financial safety net may adversely affect children. In the context of increasing autonomy at the state level and the potential for welfare policy to evolve further at the federal level, understanding how children are affected by different welfare policies is critical. This monograph seeks to advance our understanding of how various welfare reform programs affect children by synthesizing evidence from evaluations of 11 welfare and employment programs. A companion document[1] examines the effects of these and other programs on parental employment, welfare use, and income. The five large-scale evaluations covered here are unusual in their experimental rigor and comprehensive measurement of children's well-being.

The relevant policy background and an overview of this research synthesis are provided in this chapter. In Chapters 2, 3, and 4, we analyze the effects on children's well-being of programs with earnings supplements, mandatory employment services, and time limits, respectively. In those three chapters, we discuss how parenting, child care, and other family changes may account for the programs' effects on children. We also examine effects on the children of long-term welfare recipients, on preschool-aged versus early school-aged children, and on boys versus girls. Based on the results of the two studies that have examined adolescents, in Chapter 5 we explore the possibility that the programs affect adolescents differently than children in other age groups. Chapter 6 presents an overall summary of the research synthesis laid out in the preceding chapters and discusses its implications for policy.

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[1]Bloom and Michalopoulos, 2001.

I. Historical Background: Welfare Reform and Children

The 1996 federal welfare reform law introduced sweeping changes to the nation's system for supporting low-income families with children. During the prior six decades, Aid to Families with Dependent Children (AFDC) had guaranteed aid for economically deprived families with children. The new law eliminated AFDC, which was funded as an open-ended entitlement, and replaced it with Temporary Assistance for Needy Families (TANF), which provided block grants to states, introduced time limits on cash assistance, and imposed work requirements on recipients. The law made other substantial changes affecting child care, the Food Stamp Program, Supplemental Security Income (SSI) for children, and the Child Support Enforcement program, giving states numerous options — for instance, the option to require work of parents with infants (children under 12 months old), to cap benefits so that payments do not increase if recipients have additional children ("family caps"), and to require individuals to sign individual responsibility plans. The most controversial of these changes was the institution of time limits on receipt of federal cash assistance. One of the studies examined in this monograph provides information about the effects of a time-limited welfare reform program on children.

These sweeping changes were the results of a more gradual process, begun in the 1960s, intended to push welfare recipients toward higher levels of employment-based self-support. In 1967, Congress passed a law requiring parents who were receiving AFDC and who had no preschool-aged children to register for work activities. Efforts to enforce work requirements varied widely from one state to the next and were not taken seriously by most states until the early 1980s. Changes in 1981 and in 1988 (following passage of the Family Support Act) sought to accelerate states' efforts to promote employment and reduce welfare, but full implementation was thwarted by the recession of the early 1990s. Efforts to understand the impact of these policy changes (such as mandatory employment services) on children's development gave rise to some of the evaluations included in this monograph.

In the four years prior to the 1996 legislation, the federal government granted waivers of federal AFDC rules to more than 40 states to allow them to experiment with program changes. The evaluations conducted under such waivers in Minnesota and Florida provide some of the data used here. Waiver provisions varied widely among states. Some included earnings supplements designed to compensate recipients for lost welfare benefits as their earnings increased and thereby to encourage them to increase their work effort. Without supplements, welfare recipients typically lost their benefits at about the same rate as they gained earnings, so their income did not increase with their work effort. Many programs tested requirements that recipients participate in employment-related activities or risk losing their benefits. Others tested time limits on welfare receipt. Programs that included earnings supplements, mandatory employment services, and time limits were tested in the studies examined here.

II. Program Features

The debate surrounding the passage of the 1996 welfare reform legislation has been fraught with assumptions and predictions about the effects of the proposed reforms on children. Reform advocates foresaw many benefits to children of increased parental employment, which they believed would create positive role models, promote parents' self-esteem and sense of con-

trol, introduce productive daily routines into family life, and eventually foster career advancement and higher earnings on the part of both parents and children.[2] In this view, children's developmental needs are addressed indirectly but effectively by policies that promote employment among welfare recipients.

A very different view of the potential effects of welfare reforms on children stresses the role of family income and resources available to children. Armed with forecasts of dramatic increases in child poverty, critics of welfare reform focused on the likely detrimental effects on children's well-being of families' losing welfare benefits. Proponents were more optimistic that as parents moved into jobs, their future earnings would elevate family income above the level of welfare benefits.

Welfare reform was also intended to encourage marriage and discourage out-of-wedlock childbearing, both of which were expected to improve children's well-being. The preamble to the 1996 PRWORA legislation identifies marriage as "an essential institution of a successful society which promotes the interests of children," posits that "responsible fatherhood and motherhood are integral to successful child rearing and the well-being of children," and asserts that the "prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock births are very important Government interests." Limiting cash support for single parents and instituting caps on assistance for women who have additional children while on welfare were aimed at discouraging out-of-wedlock childbearing. But these policies — which were designed to affect marriage, paternal involvement, and family structure directly — are not represented in enough studies to allow systematic comparison of them.

In this monograph, we draw on studies of programs that were designed primarily to affect parental employment and income but that could have affected children indirectly. Specifically, we examine the effects on children of programs that include three policy approaches currently used in many state welfare programs: earnings supplements, mandatory employment services, and time limits on welfare receipt. Each of these program features is designed to encourage work, reduce welfare use, and — particularly in the case of earnings supplements — increase income.

A. Earnings Supplements

Some welfare and antipoverty programs include strategies specifically designed to make work more financially rewarding than welfare. The labor market accessible to the working poor offers mainly low-skill, low-pay jobs that are often transitory, making welfare potentially more attractive than work. Some welfare reform programs try to compensate for some of the shortcomings of the labor market by "making work pay" — that is, by providing extra income and resources to recipients who are employed. Some such programs require full-time employment; others provide earnings supplements for any amount of work. Supplements are sometimes provided within the welfare system by increasing the earnings disregard (the amount of earnings that is not counted as income in calculating the amount of a family's welfare benefit) so that families can keep more of their welfare dollars when parents go to work. In other programs, earnings supplements are provided outside the welfare system in the form of cash supplements and — sometimes in addition —

[2]Haskins, forthcoming, 2001.

in-kind benefits such as child care or health care subsidies. Most states have already made enhanced earnings disregards a key component of their TANF policies. A few other states provide cash supplements through refundable tax credits. The studies examined in this monograph include policies that are comparable to the most generous disregards provided in many current state programs.

B. Mandatory Employment Services

Since the 1970s, welfare reform approaches have been designed to induce participation in work-related activities or employment by making participation mandatory. The primary tool used to enforce participation mandates is sanctioning, whereby a recipient's welfare grant is reduced if she or he does not comply with program requirements. These programs are designed to reduce welfare use and increase employment either by promoting parents' participation in job search and job training or by requiring parents' participation in basic education, both with the long-term goal of increasing the employability of these often low-skilled workers. Today, virtually all states are using such mandates in their attempt to reduce welfare use and increase parents' self-sufficiency. In some cases, the mandates are more stringent (with respect to the number of hours of work required or the size of the sanction) than those in the studies examined here.

C. Time Limits

Until 1996, cash welfare assistance was a federal entitlement that was available to families as long as they met the eligibility requirements. The federal welfare law of 1996 sets a lifetime limit[3] of five years on cash assistance receipt, but states may shorten or extend the limits by using state funds. States may also exempt 20 percent of the caseload from time limits for hardship reasons. Once a family reaches the time limit, federally funded cash benefits are terminated, but the family normally remains eligible for Food Stamps, Medicaid, low-income child care assistance, and (where available) state-supported cash assistance. Time limits are intended to reduce welfare dependence, encouraging parents to work in order to support their families. More than 40 states have established limits on the receipt of cash assistance, ranging from 21 to 60 months.

III. The Relation Between Program Features and Children's Outcomes

To further our understanding of how policy features such as earnings supplements, mandatory employment services, and time limits affect children, we draw on extensive research on the link between parental employment, welfare dependence, and income on the one hand and children's outcomes on the other. The resulting conceptual model is presented in Figure 1.1. A central idea behind this model is that policy changes can affect children indirectly through changes in resources (for instance, child care, housing, learning materials, and food) and through changes in children's socialization experiences (their family functioning and relationships with parents). Examining such intermediate outcomes, or possible mediators of programs' effects on children, helps us understand not only whether a policy affects children but also how it does so.

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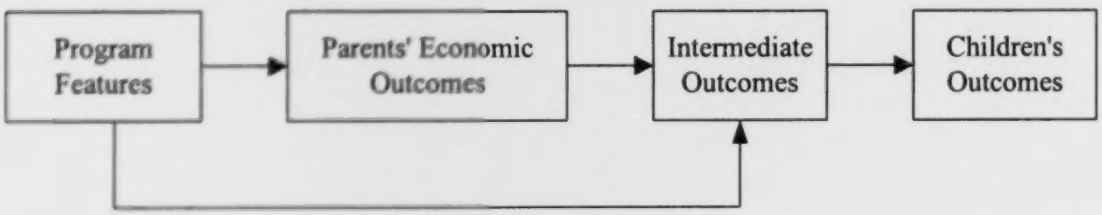
[3]Lifetime limits restrict the number of months in the recipient's lifetime that she or he can receive welfare benefits. Fixed-period time limits, in contrast, restrict the number of months of benefits over a shorter, specified period — for example, to 24 months in any 60-month period. The time-limited program examined in this monograph includes a fixed-period limit rather than a lifetime limit.

Figure 1.1
Mechanisms Through Which Welfare and Employment Policies Might Affect Children



Program Features	Parents' Economic Outcomes	Intermediate Outcomes	Children's Outcomes
Earnings supplements	Employment	*Resources*	Achievement
Mandatory employment services	Family income	Books and toys Child care	Positive behavior
Time limits	Welfare receipt	*Socialization*	Behavior problems
		Parents' well-being Parenting behavior	Health

Below we review the literature on the relations between the primary targets of these interventions (parental employment, income, and welfare use) and children's development, paying particular attention to the possible dependency of these effects on the age and gender of the child.

A. Effects of Maternal Employment

The effects of maternal[4] employment on children depend on the characteristics of the mother's job, the extent to which family resources increase, the mother's psychological well-being, and the quality of the child care, youth programs, and neighborhood to which the child is exposed. For low-income families headed by single mothers, in particular, the associations between maternal employment and children's cognitive and social development tend to be positive.[5] But it appears that much, if not all, of this difference stems from differences between employed and unemployed mothers in their demographic attributes, skills, personalities, and child-rearing practices rather than from their employment status per se.[6] Moreover, holding highly routinized jobs that pay very low wages and afford little autonomy appears to have negative effects on mothers' emotional well-being and, in turn, on children's development.[7] Unpredictable and unconventional work hours, which are characteristic of many low-wage jobs, may make it difficult for parents to combine work and family responsibilities. Maternal employment may have more positive effects on children when mothers believe their children will not suffer as a result than when it conflicts with their beliefs about what is best for their families.[8]

B. Effects of Family Income

In studies conducted in the United States, poverty has been found to have small but consistently negative effects on children's development.[9] Unsurprisingly, persistent and deep poverty has been shown to be more detrimental to children than transient poverty.[10] Family income may influence children through both the resource and socialization pathways in Figure 1.1 — affecting the resources parents can provide to their children and influencing parental stress and parenting behavior.[11] In the few longitudinal studies that have been conducted, family income consistently predicts children's academic and cognitive performance, even when other family characteristics are taken into account.[12] Children from low-income families also have more behavior and health problems than those from more affluent families do.[13] Family characteristics associated with poverty account for these differences in some studies.[14]

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[4]Because the vast majority of the single parents in the studies included in this monograph were mothers, here we review research that focuses specifically on the effects of maternal employment on children.

[5]Harvey, 1999; Vandell and Ramanan, 1992; Zaslow and Emig, 1997.

[6]Zaslow, McGroder, Cave, and Mariner, 1999.

[7]Moore and Driscoll, 1997; Parcel and Meneghan, 1994, 1997.

[8]Jackson, 1993; NICHD Early Child Care Research Network, 1998a.

[9]Duncan, Brooks-Gunn, and Klebanov, 1994; Duncan and Brooks-Gunn, 1997; Mayer, 1997; McLoyd, 1998.

[10]Duncan et al., 1994; Bolger, Patterson, Thompson, and Kupersmidt, 1995.

[11]Bradley and Caldwell, 1984; Smith, Brooks-Gunn, and Klebanov, 1997; Sugland, Zaslow, Smith, Brooks-Gunn, Moore, Blumenthal, Griffin, and Bradley, 1995; McLoyd, Jayartne, Ceballo, and Borquez, 1994.

[12]Duncan and Brooks-Gunn, 1997.

[13]Duncan and Brooks-Gunn, 1997; Klerman, 1991; Korenman and Miller, 1997.

[14]Duncan and Brooks-Gunn, 1997.

C. Effects of Welfare Receipt

Some have argued that income from welfare is less beneficial to children than other forms of family income because it carries a stigma. The research evidence does not consistently support or refute this hypothesis. Many studies found no relation between welfare receipt and children's cognitive and social development once demographic and family characteristics are taken into account; in rare cases, positive relations were found.[15] Other studies revealed that children in families receiving welfare have lower-quality home environments,[16] lower academic achievement,[17] and lower completed schooling[18] than children in other poor families. It is possible, however, that people receiving welfare have fewer material resources and assets than do other low-income families, which might explain these differences. Moreover, entry into and out of welfare programs is often associated with other transitions and changes (such as job loss or entry, parents' separating or acquiring new partners, and changes in child care arrangements) that affect parents' and children's well-being. Several studies observed higher levels of behavior problems (as reported by mothers) among children whose families had recently made a transition into welfare[19] and among children whose families had recently left welfare[20] than among children whose families had not recently changed status.

D. Differences by Age

Maternal employment and family income may have more profound effects on young children than on children who have reached school age. Developmental theories suggest that infants and preschool-aged children are more sensitive than older children to separation from their parents. In addition, one study indicates that poverty during the preschool years predicts cognitive development and educational attainment better than does poverty during middle childhood or adolescence.[21]

The available data suggest that the effects of maternal employment on young children's cognitive and language skills depend on the quality of the child care provided while the mother is working, which may in turn be influenced by family income. The cognitive and language skill development of children in low-income families benefits from high-quality care as compared with low-quality care.[22] In addition, formal, center-based child care is more beneficial to cognitive development than home-based care when the two are of comparable quality.[23]

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[15]Butler, 1990; Haveman and Wolfe, 1995; Levine and Zimmerman, 2000; Ratcliffe, 1996; Yoshikawa, 1999; Zill, Moore, Smith, Stief, and Coiro, 1995.

[16]Moore, Morrison, Zaslow, and Glei, 1994; Smith and Brooks-Gunn, 1994.

[17]Smith and Brooks-Gunn, 1994; Hofferth, Smith, McLoyd, and Finkelstein, 2000.

[18]Duncan and Yeung, 1995.

[19]Smith and Brooks-Gunn, 1994; Moore et al., 1994.

[20]Hofferth et al., 2000.

[21]Duncan and Brooks-Gunn, 1997.

[22]Burchinal, Roberts, Riggins, Zeisel, Neebe, and Bryant, 2000; NICHD Early Child Care Research Network, 2000; Peisner-Feinberg, Burchinal, Clifford, Culkin, Howes, Kagan, Yazsjian, Byler, Rustici, and Zelazo, 1999; Ramey, Campbell, Burchinal, Skinner, Gardner, and Ramey, 2000; Shonkoff and Phillips, 2000.

[23]NICHD Early Child Care Research Network, 2000.

The effects of nonmaternal child care on health and social behavior are more mixed than those on cognitive development. Infants who are placed in group child care arrangements have higher rates of contagious illnesses than do infants who are cared for at home, although the difference declines by age 3.[24] The effects of child care (whether of high or low quality) on children's social behavior, however, are much less consistently positive or negative.[25]

Once children begin school, the quality of child care may play a less critical role in the acquisition of academic skills because children are receiving instruction in school. At this stage, the quality of out-of-school activities and community supports becomes an important influence on the development of positive behavior and behavior problems.[26] Adolescents may be more cognizant than younger children of the characteristics and value of their parents' work away from home; hence, they may benefit more from the positive role modeling of maternal employment. Moreover, older children may simply need less time with their parents than do their younger peers. On the other hand, employment may make it more difficult to monitor older children's activities, especially as they become independent of adult supervision in adolescence. There is some evidence that for adolescent children maternal employment, in conjunction with low levels of monitoring and communication, is related to delinquency,[27] low educational attainment,[28] and low well-being.[29]

E. Differences by Gender

Theory and research in developmental psychology suggest that maternal employment affects girls and boys differently. The extensive literature on how parental employment affects children is guided by the theory that children use their same-sex parent as a model of their own future employment possibilities.[30] Because most participants in welfare programs are mothers, changes in maternal employment could have more positive modeling effects for daughters than for sons. On the other hand, one consequence of increased maternal employment may be that girls are asked to perform more housekeeping and child care tasks, especially in low-income families that cannot afford paid help. A moderate number of such tasks may promote girls' development, but extensive adult responsibilities may interfere with their school achievement and lead to other problems.

A wide range of evidence indicates that boys are more vulnerable to problems in school, behavior problems, and poor health than are girls.[31] Hence, boys may show more negative effects of parental employment than girls, particularly if their parents are in programs that increase stress or reduce monitoring. But because many parents are aware of boys' greater likelihood of being aggressive and disobedient, they may exert more energy and expend more resources on prevent-

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[24]NICHD Early Child Care Research Network, forthcoming, 2001.

[25]NICHD Early Child Care Research Network, 1998b; Peisner-Feinberg et al., 1999.

[26]Marshall, Garcia, Marx, McCartney, Keefe, and Ruh, 1997; Pettit, Laird, Bates, and Dodge, 1997; Pettit, Bates, Dodge, and Meece, 1999.

[27]Sampson and Laub, 1994.

[28]Duncan and Yeung, 1995.

[29]Crouter, Bumpass, and McHale, 1999.

[30]Huston, 1983.

[31]Golombok and Fivush, 1994.

ing behavior problems in their sons than in their daughters. For example, ethnographic observations of families in the New Hope program in Milwaukee, Wisconsin, suggest that parents may have invested their increased income in funding their sons' (as opposed to daughters') after-school activities and meeting their sons' needs because they worried about boys' behavior problems increasing.[32]

IV. Examining Children in Random Assignment Studies

In each of the studies examined in this monograph, families were assigned at random (through a lottery-like process) to either a program group or a control group. The program group was subject to the rules and benefits of the new program, while the control group was subject to the prior program (usually the AFDC program in operation during or prior to that period). Because the two groups did not differ systematically at the beginning of the study, any differences between them found during the study can be reliably attributed to differences between the groups' experiences in their respective programs.

Examining programs' effects on children in the context of a random assignment study offers several advantages over the research just reviewed on the effects of employment, welfare receipt, and income on children. First, poor families probably differ from nonpoor families and working families from nonworking families on dimensions other than income and employment status. For example, low-income mothers may be more depressed on average than mothers with higher incomes. Therefore, the fact that children in higher-income families perform better in school could be explained either by their parents' higher incomes or by their parents' lower levels of depression. Unfortunately, in the research reviewed above, it is very difficult to disentangle the positive effects of employment and income from such unmeasured differences between families. In the studies examined in this monograph, in contrast, the random assignment design ensures that any systematic differences in children's outcomes can be confidently attributed to the program and not to unmeasured characteristics. The studies described above also do not examine the effects on children of changes in parental employment, welfare receipt, and income over time but instead compare children in families with different a priori levels of employment, welfare receipt, and income. As a result, even if the differences between poor and nonpoor children were due to poverty, on the basis of these studies we cannot know if increasing family income improves the lives of children in poor families to the same degree as in nonpoor families. Because the programs examined here were targeted at employment, welfare receipt, and income, any differences in children's outcomes between the program and the control groups are likely to be related to the changes in these economic outcomes for parents.

V. The Studies

This monograph presents results for children whose parents participated in the five studies described in Box 1.1, in which a total of 11 welfare and employment programs were evaluated. Each program included a variety of features. We classify the programs on the basis of the three features already discussed: earnings supplements, mandatory employment services, and

[32]Bos, Huston, Granger, Duncan, Brock, and McLoyd, 1999.

time limits. By looking across programs that differed with respect to these features, we can make inferences about the effects of particular policy approaches on children.

How Welfare and Work Policies Affect Children

Box 1.1

Studies Examined in This Monograph

The Next Generation project analyzes data from five program evaluations, building on their research designs, outcome measures, and impact analyses. The evaluations and the organizations that conducted them are listed below.

Florida's *Family Transition Program* was evaluated by MDRC under contract to the Florida Department of Children and Families.

The *Minnesota Family Investment Program* was evaluated by MDRC under contract to the Minnesota Department of Human Services.

The *National Evaluation of Welfare-to-Work Strategies* is being conducted by MDRC under contract to the U.S. Department of Health and Human Services. The Child Outcomes Study, which examines program impacts on young children, is being conducted by Child Trends under subcontract to MDRC.

The *New Hope* program is being evaluated by MDRC under contract to the New Hope Project, Inc., in collaboration with researchers from Northwestern University, the University of Texas at Austin, the University of Michigan, and the University of California at Los Angeles.

The *Self-Sufficiency Project* was conceived by Human Resources Development Canada. The project is being managed by the Social Research and Demonstration Corporation (SRDC) and evaluated by SRDC and MDRC.

A. The Minnesota Family Investment Program (MFIP)[33]

MFIP was begun as a pilot program in 1994 and implemented in seven urban and rural counties in Minnesota until 1998.[34] The child study included single-parent families who were applying for or currently receiving welfare. MFIP combined mandatory employment services and "make-work-pay" supplements. These earnings supplements were provided for either full- or part-time work. Children were assessed three years after parents' enrollment in the program. The evaluation tested two pilot programs,[35] and welfare recipients were randomly assigned to one of three groups — the control group or one of the two programs:

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[33]Gennetian and Miller, 2000; Knox, Miller, and Gennetian, 2000; Miller, Knox, Gennetian, Hunter, Dodoo, and Redcross, 2000.

[34]In 1998, a modified version of MFIP was implemented statewide. Statewide MFIP includes a less generous earnings supplement and a more stringent participation mandate than the pilot program and a time limit on cash assistance receipt.

[35]Strictly speaking, MFIP was a single program encompassing the full program and a variant thereof, but for the purposes of this monograph the full program and its variant are referred to as separate programs.

- **Full MFIP** combined all the features of the MFIP program into a single package. The most important features of this package included (1) an earnings supplement that allowed working welfare recipients to keep more of their income when they went to work (also known as an increased earnings disregard); (2) mandatory employment services requiring long-term welfare recipients to participate in employment or training activities unless they were working more than 30 hours per week or had a child under 12 months old; (3) child care payments made directly to the provider; and (4) a streamlining of the rules for disbursement of cash assistance in which (a) the AFDC, Food Stamp, and Family General Assistance programs were consolidated and Food Stamps were "cashed out" (that is, the Food Stamps' dollar value was included in the welfare check) and (b) the eligibility rules for single-parent and two-parent families were equalized.

- **MFIP Incentives Only** included all the features of the Full MFIP program except mandatory employment services.

B. The Self-Sufficiency Project (SSP)[36]

This program was launched in 1992 and operated in two provinces in Canada (New Brunswick and British Columbia) until 2000. SSP took a pure make-work-pay approach, offering a generous earnings supplement for full-time work (at least 30 hours per week) for up to three years. The earnings supplement was a monthly cash payment available to single-parent welfare recipients who had been in Canada's welfare program for at least one year and who chose to leave welfare for full-time work within a year of being offered the supplement. The amount of the supplement was calculated as half the difference between a recipient's earnings and an earnings benchmark set such that a parent with a full-time minimum-wage job would roughly double her income if she received the supplement. Data on children were collected three years after parents were enrolled in the program.

C. The New Hope Program[37]

New Hope operated in two low-income areas of Milwaukee, Wisconsin, from 1994 until 1998. Because the program was targeted at low-income families who were willing to work full time, the study included both welfare recipients and other low-income parents. New Hope included various make-work-pay strategies. As in SSP, parents who worked full time (at least 30 hours per week) were eligible for a cash supplement that was intended to bring their income to the poverty line. They could also elect to receive child care and health insurance subsidies. In this program, then, in-kind benefits were available to families in addition to the cash supplement. To help families take advantage of the program's benefits, New Hope also provided intensive case management and, for parents who did not find full-time work, short-term community service jobs. Assessments of children were made two years after parents were randomly assigned either to the program or the control group.

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[36]Michalopoulos, Card, Gennetian, Harknett, and Robins, 2000; Morris and Michalopoulos, 2000.
[37]Bos et al., 2000.

D. The National Evaluation of Welfare-to-Work Strategies (NEWWS)[38]

The part of NEWWS examined here[39] included six programs in three sites (Atlanta, Georgia; Grand Rapids, Michigan; and Riverside, California) that operated in the early to mid 1990s under the federal Job Opportunities and Basic Skills Training (JOBS) Program, which preceded TANF. Like TANF, the primary objective of these programs was to reduce single parents' welfare use and increase their employment. The programs required welfare recipients to participate in basic education or employment-related activities as a condition of receiving welfare. Families who failed to meet the participation requirements could receive sanctions.

For purposes of the evaluation, each of the three sites examined here operated both a program stressing job search as a first activity and a program stressing basic education as a first activity; all three sites served welfare recipients. This design permitted a direct, side-by-side comparison of the two approaches. Information on children was collected as part of the Child Outcomes Study[40] two years after parents were randomly assigned to one of the two programs at their site.

- **Job-search-first programs.** These programs required most participants to look for work immediately, usually by attending a "job club" that lasted one to three weeks. Most people who completed job search without finding a job were then enrolled in short-term adult basic education, vocational training, or work experience.

- **Education-first programs.** These programs initially placed participants in education and training programs (usually adult basic education or vocational training) to increase welfare recipients' "human capital" (knowledge and skills) before they attempted to move into employment.

E. Florida's Family Transition Program (FTP)[41]

FTP operated in Escambia County (which includes the city of Pensacola) between 1994 and 1999.[42] The program combined a small earnings supplement with a time limit on the receipt of welfare benefits. The supplement, which was provided through the welfare system as an enhanced earnings disregard, provided only a small amount of additional income to families who took advantage of it because the welfare benefit levels in Florida were quite low. Receipt of cash assistance was limited to 24 or 36 months (depending on the parents' level of disadvantage) in any 60-month period. However, exemptions were granted to parents who became disabled or incapacitated while receiving assistance (these recipients' "welfare clocks" were stopped so that not all the months of welfare benefits they received were counted). Parents in FTP were also pro-

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[38]Freedman, Friedlander, Hamilton, Rock, Mitchell, Nudelman, Schweder, and Storto, 2000; Hamilton, 2000; McGroder, Zaslow, Moore, and LeMenestrel, 2000.

[39]The programs discussed here are among the 11 programs operating in seven sites that were evaluated as part of NEWWS (Freedman et al., 2000).

[40]McGroder et al., 2000.

[41]Bloom, Kemple, Morris, Scrivener, Verma, and Hendra, 2000.

[42]FTP was a precursor of Florida's WAGES (Work and Gain Economic Self-Sufficiency), a statewide program that operated from 1996 to 2000 and shared many of FTP's features but differed from it in key ways.

vided with an array of services to help them find work in which they were required to participate or risk facing sanctions. Several child-focused mandates — one requiring parents to ensure that their children were immunized and the other that their children were attending school regularly (with stipulations about regular parent-teacher contact) — were also imposed. Unlike the other studies examined in this monograph, the control group in FTP was also subject to some mandatory employment services; however, the mandatory services in the FTP group were more comprehensive and monitored participants more closely. Data on children were collected four years after parents' enrollment in the FTP or control group, making FTP's follow-up period the longest of all those in the studies examined here.

VI. Comparisons Across Programs

As the thumbnail program descriptions show, few of the welfare reform approaches tested in the studies included only one of the program features described earlier. Rather, because policymakers often design programs with multiple goals in mind, most of the programs "packaged" two or more of the features together. Those that included only one of the three features examined here provide the most compelling information about that particular component's effect on children. Those with multiple features cannot provide direct evidence about the effects of single features because features may interact in affecting children's outcome. For example, earnings supplements may have different effects on children when combined with mandatory employment services than when offered alone. However, programs with multiple features can shed light on how different features work together in influencing children's outcomes and how the addition of a specific feature to the mix influences the effects of particular policy approaches. Finally, programs that have been studied using a multiple-research-group design (such as MFIP) allow for a rigorous assessment of the effects of adding a specific feature to a set of other features (in the case of MFIP, adding mandatory employment services to an earnings supplement).

Table 1.1 characterizes the 11 programs under study with respect to whether they included earnings supplements, mandatory employment services, and time limits to illustrate what can be learned from comparing the effects of the different programs. The programs in NEWWS provide the best information on the effects of mandatory employment services alone because they provide mandatory employment services without earnings supplements or time limits. The other five programs all included earnings supplements. Of the five, only three programs offered a generous earnings supplement in the absence of mandatory employment services and time limits, although they differ in other respects (for instance, in the extent of case management and in the use of in-kind benefits in supplement packages). The Full MFIP program affords information on the effects of a generous earnings supplement combined with mandatory employment services and, when compared with the MFIP Incentives Only program, provides information on the effects of adding a mandate to a generous earnings supplement. Finally, only one program with time limits — FTP — has been studied to date, making our conclusions about the effects of time limits necessarily tentative. Moreover, because in FTP time limits were combined with mandatory employment services and a small earnings supplement, we can analyze the effects of time limits only when they are combined with other features.

Table 1.1

Features of Each Program, by Study

Study	Earnings Supplements	Mandatory Employment Services	Time Limits
MFIP			
Full MFIP	✓	✓	
MFIP Incentives Only	✓		
SSP	✓		
New Hope	✓		
NEWWS			
Atlanta Job-Search-First		✓	
Atlanta Education-First		✓	
Grand Rapids Job-Search-First		✓	
Grand Rapids Education-First		✓	
Riverside Job-Search-First		✓	
Riverside Education-First		✓	
FTP	✓	✓	✓

Although there has been considerable discussion about how the 1996 federal legislation altered welfare policy, many of the features that have been incorporated into programs since 1996 were already being tested in these studies before 1996. Thus, these studies are a powerful tool for understanding how some post-TANF programs might be affecting children.

VII. Time Periods of the Studies

All the studies examined programs that began to be implemented prior to the 1996 welfare law. Nevertheless, there is some important variation in the study periods and therefore in the economic and policy conditions under which the studies took place. The earliest programs are those analyzed as part of the NEWWS evaluation. In these programs, families were randomly assigned to program and control groups between 1991 and 1993, and children were assessed two years later (between 1993 and 1995). Thus, the entire study period predated PRWORA's passage in 1996. The periods of the MFIP, New Hope, and FTP studies, in contrast, overlapped with PRWORA's passage, with families' being randomly assigned between 1994 and 1995 and children's being followed up in or after 1996.

The evaluation of SSP, which operated in Canada, spanned both of these periods, with families' being randomly assigned between 1992 and 1995 and children's being assessed between 1995 and 1998. As in the United States, the Canadian government passed legislation in 1996 that turned welfare into a federally funded block grant, giving localities considerable discretion. However, unemployment was considerably higher in the provinces in which SSP was assessed than it was in the United States, although the local economic conditions improved slightly over the study period.

This discussion underscores the range of economic and policy conditions under which these studies were conducted. Consistent findings across these studies would support stronger conclusions about the effects of particular program features and generalization of the findings to a wider range economic and policy contexts than would otherwise be warranted. Inconsistent findings across studies might be attributable either to differences in the packages of features the programs offered or to differences in the conditions under which the studies occurred, thereby complicating the conclusions that can be drawn from the cross-study comparison. Nevertheless, the relatively short period of time over which these studies took place reduces the possibility that drastic differences in economic conditions underlie differences in the studies' findings.

VIII. Sample, Measures, and Analysis Strategy

A. Sample

We focus on children of single parents (primarily single mothers) who were of preschool age or early school age at the time of their parents' random assignment (approximately 3-9 years at random assignment).[43] These children had reached middle childhood (approximately 5-12 years) by the end of the follow-up period, from two to four years later. This age group was chosen as the basis for the cross-study analysis to maximize the comparability of the samples across the 11 programs and because this age group was the subject of a set of detailed questions about social behavior and well-being in all the studies. Thus, the data collected allow for a fair comparison of program impacts across studies.

Focusing on children of preschool and early school age has additional advantages. First, the most reliable assessments of children's functioning available in developmental psychology are designed for children in this age range. Second, there is reason to believe that this age group contains the children most likely to be affected by changes in welfare and employment programs because they are young enough to react negatively to maternal separations and to be placed in nonmaternal care. At the same time, research has suggested that the youngest of these children (those aged 3-5) may benefit the most from increases in income.

In all the studies, some data were collected on other age groups of children as well, but in most cases the information was too limited to allow for systematic analysis. In Chapter 5, we briefly discuss the effects on adolescent children found in the two studies for which more detailed information was collected and analyzed. Future research will analyze the differential effects of welfare and employment programs on younger and older children in greater detail.

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[43]Although we focus on preschool-aged and early school-aged children in many of the analyses in this monograph, the age groups are not identical across the 11 programs discussed. The footnotes in the figures specify the subgroups of children for whom data are presented. In cases in which the age group included children beyond those who were aged 3-9 at random assignment, analyses were conducted to determine if the effects are comparable when the sample of children was limited to those in the narrower age range. When the effects are indeed comparable, the results for the larger age group are shown in the figure to include the largest possible sample of children.

B. Measures

To increase the comparability of the results found in the different studies, we examined a subset of measures that was similar across studies but that represented the range of children's outcomes that might be affected by welfare and employment policies. The findings on the full set of measures of children's well-being can be found in the reports on the individual studies.[44] Here we examine effects in three broad categories: cognitive or achievement outcomes, social behavior, and health.

Children's cognitive outcomes include school achievement as rated by parents and teachers as well as children's test scores. Test scores can provide information about children's actual knowledge of a particular area, while parents' and teachers' reports provide information on how children are performing in school, which likely reflects both their cognitive abilities and their engagement in school. Some of the studies included only reports by parents, while others included information from more than one source.

Both positive and negative aspects of children's social behavior are also examined. In terms of behavior problems, the analyses presented here focus on externalizing behavior (children's "acting out" and engagement in overtly negative interactions such as yelling at and fighting with adults and peers) rather than internalizing behavior (depression and anxiety). We devote our attention to externalizing rather than internalizing behavior both because the former is more easily and accurately assessed by parents and teachers and because it has been shown to be influenced more than internalizing behavior by child-focused interventions.[45] We also look at children's positive social behavior as measured by the extent to which children are helpful and cooperative in their interactions with others.

Finally, we analyze parents' ratings of children's general health. In most studies, these ratings are responses to a single question.

In general, test scores and reports by adults other than parents are more reliable methods of assessing the effects on children of programs aimed at parents than are parents' reports. Because program group parents' perceptions of their children may be influenced by their experiences in the program, differences between their reports and those of control group members may reflect those differences in perception rather than or in addition to differences in children's actual functioning. For example, parents who are stressed by being employed may perceive their children as more poorly behaved than parents who are less stressed, even if the behavior of the children in the two groups is the same. Similarly, parents who are working may be more aware of their children's health problems than parents who are not because employed parents might have to miss work when their children are sick. These caveats are not intended to imply that parents' reports are not useful sources of data. In fact, to the extent that they translate into parents' behavior toward children, they may be very accurate at predicting long-term outcomes for children. However, in assessments of the effects of these programs on children, teachers' reports and children's test scores should be weighed more heavily than parents' reports.

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[44]Bloom, Kemple, et al., 2000; Bos et al., 1999; Gennetian and Miller, 2000; McGroder et al., 2000; Morris and Michalopoulos, 2000.

[45]Yoshikawa, 1995.

C. Analysis Strategy

Each of the studies examined in this monograph used a random assignment research design to measure the effects, or *impacts*, of the program(s) on various measures of outcomes for parents and children. We computed the impacts on the measures described in the previous section. In reporting impacts, we often refer to the differences that emerged over time between the groups as "increases" or "decreases."

For each impact, we conducted a statistical test[46] to determine if the impact was *statistically significant*. Some differences between the program and control groups might arise from chance. A test of statistical significance indicates when an impact is unlikely to be due to such chance differences between groups. Unless otherwise noted, every "impact" and "effect" mentioned in this document was determined to be statistically significant.

The programs' impacts are represented here in terms of *effect sizes*. A larger effect size (whether positive or negative) corresponds to a larger effect. Effect sizes are computed by dividing the difference between the average program and control group outcomes on a particular measure by the standard deviation of the control group members' outcomes on that measure.[47] (The standard deviation of a set of observations captures their degree of "spread," or how variable they are relative to the average outcome.) The effect size is a yardstick for measuring impacts that can be used to compare effects even when they are measured on different scales or in research samples that have different standard deviations. For example, effect size analysis allows us to determine whether a 5-point difference between the program and control groups in the percentage of children performing below average in school is similar in magnitude to a 10-point difference between the program and control groups' average scores on a test graded on a scale from 1 percent to 100 percent.

Random assignment designs make it possible to attribute systematic differences between the program and control groups to the different programs the two groups experienced. In this monograph, however, we compare the effects of the different program approaches across studies. Inferences based on cross-study comparisons are more tenuous than those made within a particular study because factors other than the differences in program models may explain why the findings from two studies differ. Wherever possible, we attempt to address this problem by selecting similar subgroups for comparison. However, this technique is far from perfect, and other factors may still confound comparisons across studies.

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[46]Specifically, a two-tailed test was performed for each difference in outcomes between the program and control groups to determine whether it was statistically significant. In the studies in which more than one child per family was included in the study sample, the statistical tests were adjusted to account for the relation between siblings. Differences between subgroup impacts were also tested for statistical significance.

[47]The control group standard deviation is used because the program may affect the degree of spread in the program group (for example, the program may help some children and hurt others, thereby increasing the standard deviation). Using the control group standard deviation allows one to examine the difference as a function of the variation in the control group's environment.

Chapter 2

Effects on Children of Programs with Earnings Supplements

Earnings supplements are designed to encourage work and reduce poverty. Given that children are negatively affected by poverty, increasing income through earnings supplements might be expected to benefit children. But to receive an earnings supplement parents have to work, and some of the programs examined here required that parents work full time. It is therefore possible that the increases in employment produced by earnings supplements lead to negative effects on children that undermine the positive effects of higher family income. This chapter, which is based on a reanalysis of the data from three of the five studies introduced in Chapter 1 (MFIP, SSP, and New Hope[1]), speaks to these issues by analyzing the effects on children of earnings supplement programs.

I. Effects on Parents' Economic Outcomes

Because programs that provide earnings supplements are targeted at adult behavior, they are most likely to affect children through changes in economic outcomes for parents. Here we briefly describe the effects of the programs with earnings supplements analyzed in this monograph with respect to three economic outcomes: employment, welfare receipt (the proportion of families receiving welfare), and income. This summary is based on a companion document[2] that examines the effects of these and other programs on parents' economic outcomes in greater detail.[3]

- **Earnings supplement programs are intended to increase employment, and those examined here appear to have achieved this goal.**

The programs with earnings supplements generally increased employment, although primarily for long-term welfare recipients. Whether the increase is in full-time employment (30 or more hours per week) or part-time employment depends on the nature of the supplement. For example, because the MFIP Incentives Only program rewarded part-time work more than full-time work (families in which parents worked part time actually experienced a larger income boost from the program than families in which parents worked full time), the program increased primarily part-time employment for long-term welfare recipients. SSP, in contrast, increased full-time more than part-time work, because its supplements were contingent on full-time employment. The Full MFIP program, which included both an earnings supplement and a mandate for full-time work, also increased full-time employment for long-term welfare recipients.

- **The effects of the earnings supplement programs examined here on welfare use depended largely on the way in which the supplement was provided.**

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[1]For the MFIP evaluation, see Gennetian and Miller, 2000, and Knox, Miller, and Gennetian, 2000; for the SSP evaluation, see Morris and Michalopoulos, 2000; and for the New Hope evaluation, see Bos et al., 1999, and Huston, Duncan, Granger, Bos, McLoyd, Mistry, Crosby, Gibson, Magnusson, Romich, and Ventura, forthcoming, 2001.

[2]Bloom and Michalopoulos, 2001.

[3]Note that in describing the effects of SSP, Full MFIP, and MFIP Incentives Only, we have focused on long-term welfare recipients. Later in this chapter, we discuss outcomes for families in these studies with shorter welfare histories.

The two programs that provided earnings supplements inside the welfare system by increasing the earnings disregard (Full MFIP and MFIP Incentives Only) increased both welfare receipt and welfare payments as they increased employment for long-term welfare recipients. This is because more working families qualified for welfare in these programs than would have qualified under the AFDC system. One of the two programs that provided supplements outside the welfare system in the form of cash and/or in-kind benefits (SSP), in contrast, reduced welfare receipt, but both programs that provided supplements outside the welfare system (SSP and New Hope) — unsurprisingly — increased receipt of assistance in the form of supplements.

- **Most importantly, the earnings supplement programs increased income and reduced poverty.**

Because these programs supplemented the earnings of families who went to work, the income levels of families in the program groups in the studies examined here were typically much higher than those of families in the control groups. For example, long-term welfare recipients in Full MFIP had income levels about $1,200 per year higher on average than those in the control group.

- **Because the programs with earnings supplements increased cash transfers to families, these programs cost the government money.**

Earnings supplements can increase earnings and income but at a cost to the government. For example, the net cost of MFIP per family for services, cash assistance, and Medicaid was about $2,000 per year for single-parent long-term recipients, and SSP's net cost per family was about $450 per year — all of it spent on cash assistance because the program did not offer special services. New Hope was the most expensive of the three programs partly because it provided a more comprehensive package of services and partly because it generated smaller welfare savings (some families in the study were not welfare recipients to begin with). The net cost of New Hope per family was about $4,000 per year.

II. Effects on Children

We first consider the effects on children of the three earnings supplement programs that did not include any form of mandatory employment services (MFIP Incentives Only, SSP, and New Hope). All three programs gave parents a supplement if they went to work by providing cash, and New Hope offered additional family supports (child care and health insurance subsidies) to parents who worked.

All three programs shared one feature: the provision of a generous earnings supplement. However, in other ways these three programs were quite different — for example, with respect to whether the earnings supplement was tied to full-time work. In the MFIP Incentives Only program, supplements were provided to families for any amount of work and were more generous for part-time work than for full-time work. In SSP and New Hope, in contrast, parents had to work full time (at least 30 hours per week) in order to receive the supplement. In addition, whereas MFIP Incentives Only provided the supplement within the welfare system by raising the earnings disregard, SSP and New Hope did so outside the welfare system. Finally, the three programs differed with respect to whether they provided in-kind benefits in addition to cash assistance. New Hope earmarked part of the benefits for particular uses (child care and health insur-

ance), while MFIP Incentives Only and SSP provided a cash supplement that families could spend as they wished.

The findings presented are for the child samples in the SSP and New Hope evaluations (children of single-parent welfare recipients in SSP[4] and children of low-income single parents in New Hope) and for the children of the urban, single-parent long-term welfare recipients in the MFIP Incentives Only program,[5] which included the largest sample of children examined in the MFIP evaluation. Later in this chapter, we present the programs' impacts for children of different ages and for girls and boys. Box 2.1 provides a guide to reading the figures in this monograph.

Figure 2.1 shows the impacts of the three earnings supplement programs that did not provide mandatory employment services on children's achievement as measured by parents' ratings and children's math test scores. As explained in Box 2.1, each bar represents — on a common scale across programs — the difference between the program and control groups. In one of the studies, only ratings by parents were collected. In the other two programs, additional information about the effects of these programs on children's school achievement was obtained from test scores or ratings by teachers.

- **All the programs that provided earnings supplements without mandatory employment services improved children's school achievement.**

As can be seen in Figure 2.1, these three earnings supplement programs improved children's achievement in school, increasing it by about 10 percent to 15 percent of the average variation in the control group. These results suggest that these kinds of programs have small but statistically significant positive effects (for a discussion of the size of these effects, see Box 2.2). The study of the MFIP Incentives Only program, which measured children's achievement solely on the basis of parents' ratings, found positive effects on this measure. The SSP study, which included ratings by parents as well as children's test scores, found improvements on both measures. The New Hope study included ratings by both parents and teachers. While New Hope was found to have no effects on parents' ratings of children's achievement, the program had a positive impact on teachers' ratings. Interestingly, despite the differences in these programs' approaches — for instance, with respect to whether they provided the supplement within or outside the welfare system, made the program contingent on full-time employment, or earmarked the supplements for particular work or family supports — all three programs had similar, positive effects on children's achievement outcomes.

- **Programs with earnings supplements had either neutral or favorable effects on children's behavior problems and positive behavior.**

Figure 2.2 shows the effects of the same three programs on children's externalizing behavior problems (as opposed to internalizing problems such as depression and anxiety). Separate bars show the effects as measured by parents' and teachers' ratings. While there was a reduction in children's behavior problems in the MFIP Incentives Only program, in SSP and New Hope

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[4]In SSP, the study sample included only welfare recipients who had been receiving welfare for at least one year.

[5]At the time of their random assignment to the program or control group, all the long-term welfare recipients in the MFIP Incentives Only program had been receiving welfare for at least two years.

How Welfare and Work Policies Affect Children

Box 2.1

How to Read the Figures in This Monograph

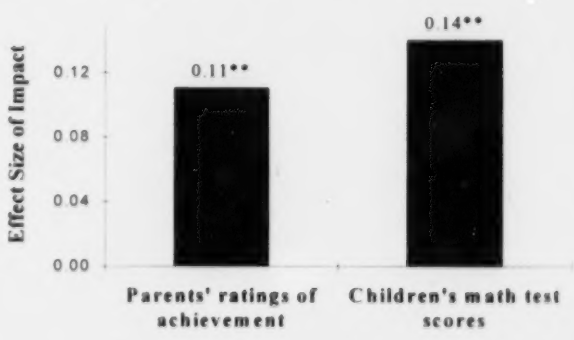
Most of the figures in this report show the *impacts* of specific welfare reform initiatives. Below is a table that uses data from the SSP evaluation to illustrate the types of information the figures represent. The table shows — for the program group and the control group separately — the average rating by parents of children's school achievement (expressed on a five-point scale where 1 means "not very well at all" and 5 means "very well") averaged across three academic subjects and children's average score on a math skills test (expressed as the proportion of items answered correctly).

Cognitive Outcomes, Impacts, and Effect Sizes in the SSP Evaluation

	Program Group Average	Control Group Average	Difference (Impact)	Effect Size
Parents' ratings of achievement	3.71	3.61	0.10**	0.11**
Children's math test scores	0.56	0.52	0.04**	0.14**

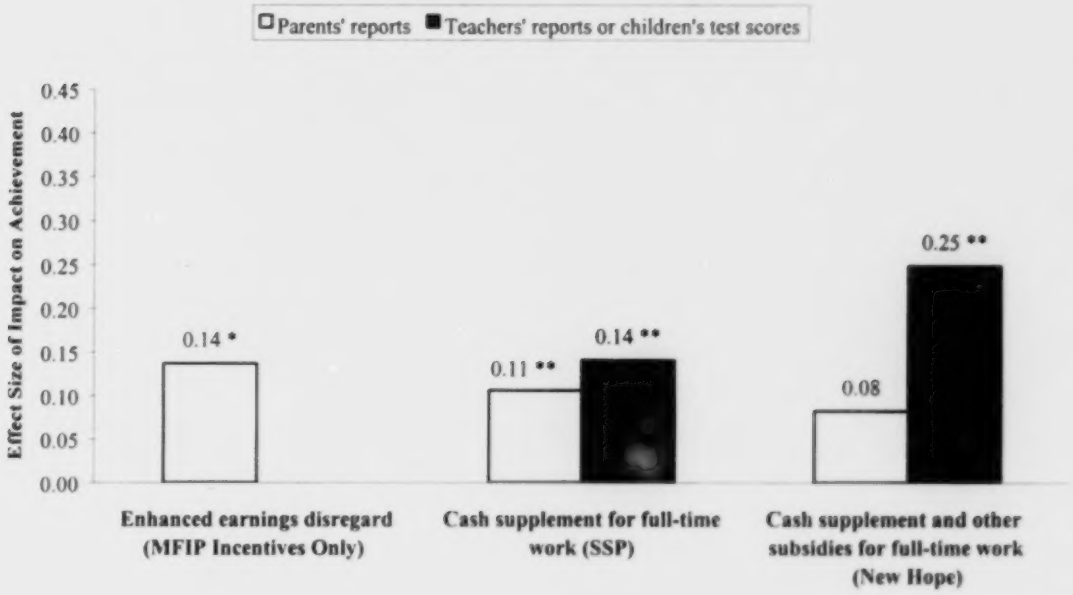
The table also shows the differences between the program and control group averages — that is, the program's impacts. The difference between the average achievement ratings given by parents in the program and control groups was .10. The average math test scores of children in the two groups differed by .04; that is, children in the program group had an average score that was 4 percentage points higher than the average score of children in the control group.

The final column of the table converts each impact into an *effect size* by dividing the difference between the program and control group averages on each achievement measure by the standard deviation of the control group outcomes — that is, their degree of "spread," or how variable they are relative to the average outcome. This procedure standardizes the impact estimates to allow comparison across measures. In this case, it shows that the impact of .10 on parents' achievement ratings is similar in magnitude to the impact of .04 on math test scores. Both effect sizes represent a change of about 10 percent to 15 percent of the average variation in the outcomes. The bar charts used in this report graph these effect sizes as in the figure below. The program and control group averages underlying all the effect sizes shown in the figures are provided in the Appendix.



In most of the figures, stars appear above some of the bars, which means that the differences between the program and control groups on the measures indicated are *statistically significant*, that is, unlikely to be due to chance. In the figures showing impacts for subgroups such as boys and girls, the figure notes indicate whether the differences between the subgroup impacts are statistically significant. Unless otherwise noted, all the impacts (sometimes called *effects*) discussed in the text are statistically significant.

Figure 2.1
The Three Earnings Supplement Programs Without Mandatory Employment Services Improved Children's School Achievement



NOTES: In each study, children were selected for inclusion in the sample on the basis of their age at random assignment or their age at follow-up.

The MFIP sample includes children of parents in the MFIP evaluation aged 5-12 at the time of the three-year follow-up survey (aged approximately 2-9 at the time of random assignment) whose parents were long-term recipients in urban counties and underwent random assignment between April 1, 1994, and October 31, 1994 (sample size for MFIP Incentives Only = 573).

The SSP sample includes children of single parents in the SSP evaluation aged 6-11 at the time of the three-year follow-up survey (aged approximately 3-8 at random assignment) who were living in the home at the time of random assignment and at the time of the three-year follow-up survey (sample size = 2,158).

The New Hope sample includes children of the single parents in the New Hope evaluation who were aged 1-10 at random assignment and whose parents participated in the two-year follow-up survey (sample size = 832).

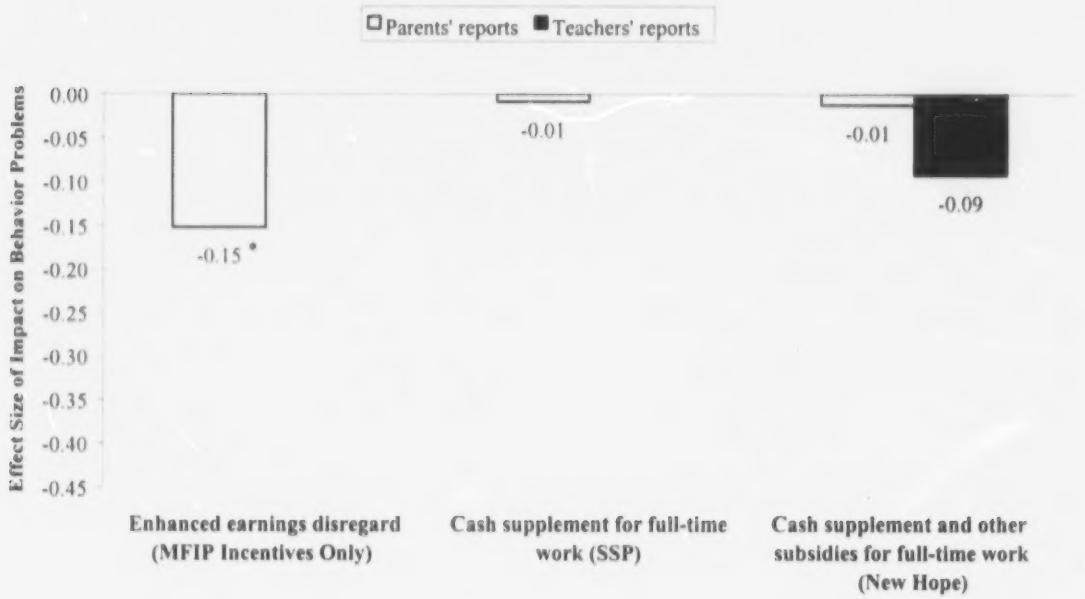
Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test).

In MFIP, achievement was assessed using a single-item measure that asked parents to rate their child's overall performance in school on a scale ranging from 1 ("not well at all") to 5 ("very well").

In SSP, achievement was measured using a 26- to 34-item math skills test and expressed in terms of the proportion of items answered correctly. Parents' assessments of achievement were measured using their ratings of their child's functioning in three academic subjects on a five-point scale ranging from 1 ("not very well") to 5 ("very well"). The ratings were averaged across the three academic subjects to compute a single score for each child.

In New Hope, teachers' reports of achievement were measured using the 10-item Academic Subscale from the Social Skills Rating System, which asked teachers to rate the child's skills relative to those of other children in areas such as math, reading, and oral communication on a five-point scale ranging from 1 ("bottom 10 percent") to 5 ("top 10 percent"). The responses were averaged across the 10 items to compute a single score for each child. Parents' assessments of achievement were measured using a single-item measure that asked parents to rate their child's school performance, based on past report cards or other sources, on a five-point scale ranging from 1 ("not at all well") to 5 ("very well").

Figure 2.2
One Earnings Supplement Program Without Mandatory Employment Services Reduced Children's Behavior Problems



NOTES: In each study, children were selected for inclusion in the sample on the basis of their age at random assignment or their age at follow-up.

The MFIP sample includes children of parents in the MFIP evaluation aged 5-12 at the time of the three-year follow-up survey (aged approximately 2-9 at the time of random assignment) whose parents were long-term recipients in urban counties and underwent random assignment between April 1, 1994, and October 31, 1994 (sample size for MFIP Incentives Only = 573).

The SSP sample includes children of single parents in the SSP evaluation aged 6-11 at the time of the three-year follow-up survey (aged approximately 3-8 at random assignment) who were living in the home at the time of random assignment and at the time of the three-year follow-up survey (sample size = 2,158).

The New Hope sample includes children of the single parents in the New Hope evaluation who were aged 1-10 at random assignment and whose parents participated in the two-year follow-up survey (sample size = 832).

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test).

In MFIP, behavior problems were measured using parents' responses to a 12-item externalizing subscale of the Behavioral Problems Index that assesses aggressive behaviors such as bullying and cheating. Responses range from 0 ("not true") to 2 ("very true"). The responses to the 12 questions were summed to compute a single score for each child.

In SSP, behavior problems were measured using a four-item externalizing subscale that asked parents to assess their child's acting out and aggressive behaviors on a three-point scale ranging from 1 ("never") to 3 ("often"). The responses were averaged across the four items to compute a single score for each child.

In New Hope, behavior problems were measured using a six-item externalizing subscale of the Problem Behavior Scale from the Social Skills Rating System that asked parents and teachers about the child's aggressive behavior and how often the child needed to be disciplined for misbehavior on a five-point scale ranging from 1 ("never") to 5 ("all the time"). The responses were averaged across the six items to compute a single score for each child.

there were no positive or negative effects.[6] These findings suggest that, if these programs influence children's behavior problems at all, their effects are favorable.

Turning to children's positive behavior (positive social interactions with others), we see similar results, with increases in children's positive behavior in two of the three studies (MFIP Incentives Only and New Hope; see Figure 2.3). Whereas MFIP's positive effects were found for parents' ratings of children's positive behavior (no ratings by teachers were collected), New Hope's were limited to teachers' ratings (although ratings by both parents and teachers were collected). As with behavior problems, favorable effects on positive behavior were observed in some but not all studies, but the effects found were never unfavorable.

- **Programs with earnings supplements had either neutral or positive effects on children's health.**

Only two of the studies, MFIP Incentives Only and SSP, included data on children's health, and in both cases these data were parents' ratings. SSP increased ratings of children's health (see Figure 2.4), but this finding was not replicated in MFIP Incentives Only. Thus, as with the findings on children's behavioral outcomes, the single effect that was observed was favorable but was not found in MFIP Incentives Only.

How Welfare and Work Policies Affect Children
Box 2.2
How Large Are These Effect Sizes?

Understanding effect sizes

One way to understand how large the effects of the programs considered here are is to compare them with the programs' effects on related measures. For example, Full MFIP had an effect on school achievement of .15 and an effect on behavior problems of –.17. The program also reduced the proportion of children performing below average in school by 5 percentage points and the proportion of children with a high level of behavior problems by 8 percentage points.

Another way of judging whether a given effect is large or small is to relate its size to the kinds of percentile scores associated with school tests. Children in the studies examined in this monograph scored at around the 25th percentile on most of the standardized tests they took (meaning that 25 percent of children nationally scored below the average child in the control group in the studies examined here). A positive impact on test scores with an effect size of .15 would amount to about a 5 percentile point improvement, implying that their average percentile ranking rose from the 25th to the 30th percentile (so that at the end of the follow-up period they would rank above 30 percent of children nationally). An effect size of .25 amounts to about an 8 percentile point difference, implying that their average percentile ranking rose to the 33rd percentile.

Similar logic applies to the effect sizes on all the measures reported. Suppose, for example, that a program has an effect of size .15 on children's positive behavior. This would imply a child at the 25th percentile of the positive behavior distribution who experienced the average program impact would be at the 30th percentile of the positive behavior distribution at the end of the study.

(continued)

[6] As reported later in this chapter, New Hope decreased boys' behavior problems but increased girls' behavior problems.

Box 2.2 *(continued)*

How do these effects compare with those on adult economic outcomes?

The effects on children of the earnings supplement programs are about one-half to one-third as large as those on adult economic outcomes. Generally, the programs increased employment rates by about 10 percentage points and reduced poverty by a similar amount. Most of the impacts correspond to effect sizes of about .30, but on selected measures of employment they are as large as .50. The sizes of the effects on children are generally around .15.

How do these effects compare with those of other interventions aimed — directly or indirectly — at children?

Other programs aimed at improving outcomes for both parents and children — specifically, parental employment and children's development — include home-visiting programs, in which nurses or other paraprofessionals provide one-on-one case management to link low-income parents with services in their communities. Some such programs combine home-visiting services for parents with child development programs for children. A recent review, however, suggests that home-visiting programs are not always effective in improving parents' and children's functioning.[2] However, studies of home-visiting programs in which improvements in children's well-being were observed found effect sizes as large or larger than those presented here. For example, studies of the Infant Health and Development Program, a large-scale two-generational program combining home visits with child development centers and peer support groups for parents of low birthweight infants, reported effects ranging in size from about .40 to .80 on standardized test scores and an effect of -.18 on children's behavior problems.[3]

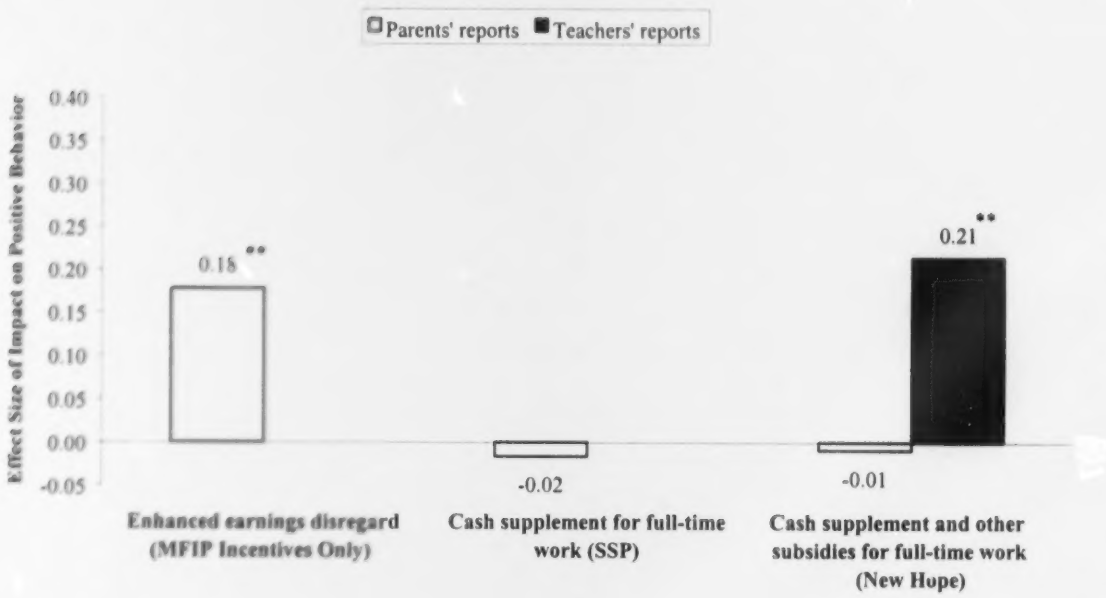
Turning to programs directly targeted at children, the best known preschool programs have effect sizes much larger than those presented here and can be as large as 1.0.[4] Such large effect sizes are not surprising considering that these are the most successful of childhood interventions and that they target children directly rather than being designed to affect children indirectly through changes in parents' circumstances and behavior. Interestingly, however, the effects of preschool programs on test scores and school achievement are much more consistent than their effects on behavioral outcomes, which some studies have found to be neutral or even negative.[5] In a set of well-known experiments that investigated the effects of class size on children's school performance, children were randomly assigned to classes of different sizes. Classes of smaller size improved children's math and reading grades, with effect sizes ranging from approximately .15 to .35.[6] The effects of this intervention, which was targeted directly at school-aged children, are comparable in size to those of the parent-targeted programs examined here.

Are these effects predictive of children's long-term outcomes?

In assessing the importance of a program's effects on children, we should consider not only their size but also their relation to later outcomes. Longitudinal studies have found that children's achievement and behavior problems can have important implications for their well-being in adolescence and adulthood.[7] Moreover, small differences between children in school achievement early on can translate into larger differences later.[8] Therefore, a program's effects on children, even if the effects are small, may continue to have implications over the course of their lives.

[1]Gennetian and Miller, 2000.
[2]Gomby, Culross, and Behrman, 1999.
[3]Infant Health Development and Program (IHDP), 1990.
[4]Shonkoff and Phillips, 2000.
[5]Yoshikawa, 1995.
[6]Word, Johnston, Bain, Fulton, Zaharias, Achilles, Lintz, Folger, and Breda, 1990; Krueger, 1997.
[7]Caspi, Wright, Moffit, and Silva, 1998; Masten, Coatsworth, Neemann, Gest, Tellegen, and Garmezy, 1995.
[8]Entwistle, 1985.

Figure 2.3
Two Earnings Supplement Programs Increased Children's Positive Behavior



NOTES: In each study, children were selected for inclusion in the sample on the basis of their age at random assignment or their age at follow-up.

The MFIP sample includes children of parents in the MFIP evaluation aged 5-12 at the time of the three-year follow-up survey (aged approximately 2-9 at the time of random assignment) whose parents were long-term recipients in urban counties and underwent random assignment between April 1, 1994, and October 31, 1994 (sample size for MFIP Incentives Only = 573).

The SSP sample includes children of single parents in the SSP evaluation aged 6-11 at the time of the three-year follow-up survey (aged approximately 3-8 at random assignment) who were living in the home at the time of random assignment and at the time of the three-year follow-up survey (sample size = 2,158).

The New Hope sample includes children of the single parents in the New Hope evaluation who were aged 1-10 at random assignment and whose parents participated in the two-year follow-up survey (sample size = 832).

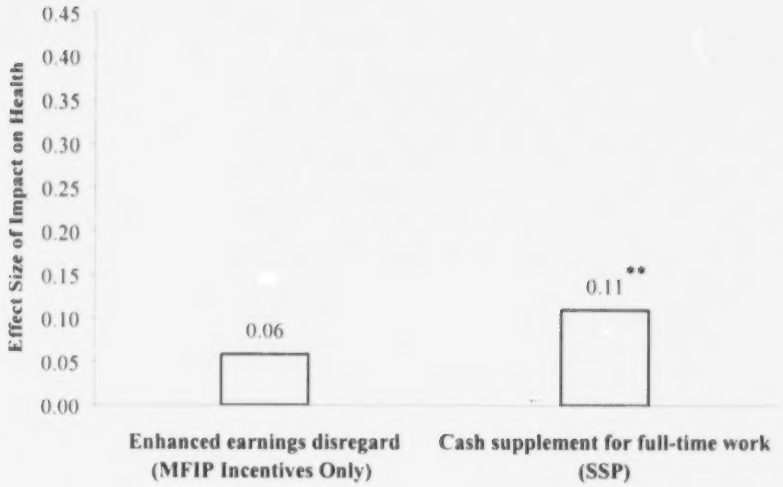
Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test).

In MFIP, positive behavior was measured with the 25-item Positive Behavior Scale, which included three subscales: compliance, social competence, and autonomy. Parents responded to each item on an 11-point scale ranging from 0 ("not at all like my child") to 10 ("completely like my child"). The responses to the 25 questions were summed to compute a single score for each child.

In SSP, positive behavior was measured using the five-item Positive Social Behavior subscale, which asked parents to assess their child's prosocial interactions with peers on a scale ranging from 1 ("never") to 3 ("often"). The responses were averaged across the five items to compute a single score for each child.

In New Hope, the child's positive behavior was measured using the 25-item Positive Behavior Scale, which included three subscales: compliance, social competence, and autonomy. Parents and teachers responded to each item on a five-point scale ranging from 1 ("never") to 5 ("all of the time"). The responses were averaged across the 25 items to compute a single score for each child.

Figure 2.4
One Earnings Supplement Program Improved Children's Health as Reported by Parents



NOTES: In each study, children were selected for inclusion in the sample on the basis of their age at random assignment or their age at follow-up.

The MFIP sample includes children of parents in the MFIP evaluation aged 5-12 at the time of the three-year follow-up survey (aged approximately 2-9 at the time of random assignment) whose parents were long-term recipients in urban counties and underwent random assignment between April 1, 1994, and October 31, 1994 (sample size for MFIP Incentives Only = 573).

The SSP sample includes children of single parents in the SSP evaluation aged 6-11 at the time of the three-year follow-up survey (aged approximately 3-8 at random assignment) who were living in the home at the time of random assignment and at the time of the three-year follow-up survey (sample size = 2,158).

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test).

In MFIP, health was assessed using a single-item measure that asked parents to rate their child's health on a five-point scale ranging from 1 ("poor") to 5 ("very good").

In SSP, health was measured using parents' responses to four questions about their child's health on a scale ranging from 1 ("false") to 5 ("true"). The responses were averaged across the four items to compute a single score for each child.

- **Overall, the programs that provided earnings supplements without mandatory employment services improved child outcomes. Encouragingly, this finding suggests that such programs can both increase family resources and improve child outcomes.**

The findings are most consistent with regard to school achievement. Effects on children's behavioral and health outcomes were not found across all studies, but those that were observed were favorable.

These results are consistent with those of the studies reviewed in Chapter 1, most of which reported positive associations between family income and children's well-being, particularly as reflected in cognitive performance and school achievement. The fact that welfare programs with an antipoverty component can lead to improvements in children's cognitive outcomes — improvements that are detected two to three years after their parents first enter the programs — has important implications for policy and program design. Furthermore, the consistency in the findings across the sites and studies considered here justifies greater confidence in the generalizability of the programs' effects. At the same time, most of the effects are small and are concentrated in children's cognitive development rather than their behavior or health. It is not yet clear how to improve children's behavior and health systematically across programs.

III. Adding Mandatory Employment Services to an Earnings Supplement

A given program feature may work differently when combined with other features than when studied in isolation. Because most state welfare programs are packages of features, understanding how the features interact is critical to informing welfare policy. In this section, we examine how earnings supplements interact with mandatory employment services.

The MFIP evaluation permits a direct experimental comparison of earnings supplement programs with and without mandatory employment services. Whereas in Full MFIP parents were both subject to a participation mandate and provided with an earnings supplement, in MFIP Incentives Only parents were subject to all the same program features except the mandate. The evaluation provides a rigorous test of the effects of adding a mandate to supplements because parents were randomly assigned to one of these two groups or to a control group that was not offered either of the MFIP programs. Random assignment allows us to be confident that the differences between the two programs' effects are caused by the differences between the programs rather than by any unmeasured differences between participants.

Both MFIP Incentives Only and Full MFIP increased employment for long-term welfare recipients. However, only Full MFIP led to an increase in full-time employment (30 hours or more per week), while the MFIP Incentives Only program boosted only part-time employment. From this result it appears that adding the mandate increased full-time employment relative to providing only earnings supplements. How do these increases in employment affect child outcomes in the two programs? One might hypothesize that higher employment has negative effects on children that undermine the positive effects of the higher family income resulting from earnings supplements. Alternatively, one might hypothesize that increases in full-time employment benefit children by making family routines more regular and providing children with positive role models. Another hypothesis is that mandatory employment services increase parental stress, irre-

spective of their effects on employment, and thereby reduce the positive effects of earnings supplements on children's well-being.

The impacts of the two MFIP programs on children are presented in Figure 2.5. The findings suggest that adding the participation mandate had no effect on parents' ratings of children's achievement in school, behavior problems, or health. The only outcome that appears to have been affected by the addition of the mandate was parents' ratings of children's positive behavior: While the effect is positive in the MFIP Incentives Only program, there is no effect in the Full MFIP program. Notably, Full MFIP did not produce any negative effects on children, even in the case of positive behavior.

- **Although drawn from a single study, these findings show that mandatory employment services need not reduce the positive effects on children of programs with earnings supplements.**

Programs with earnings supplements appear to increase children's achievement — whether the supplements are provided alone or combined with a participation mandate that increases full-time work.

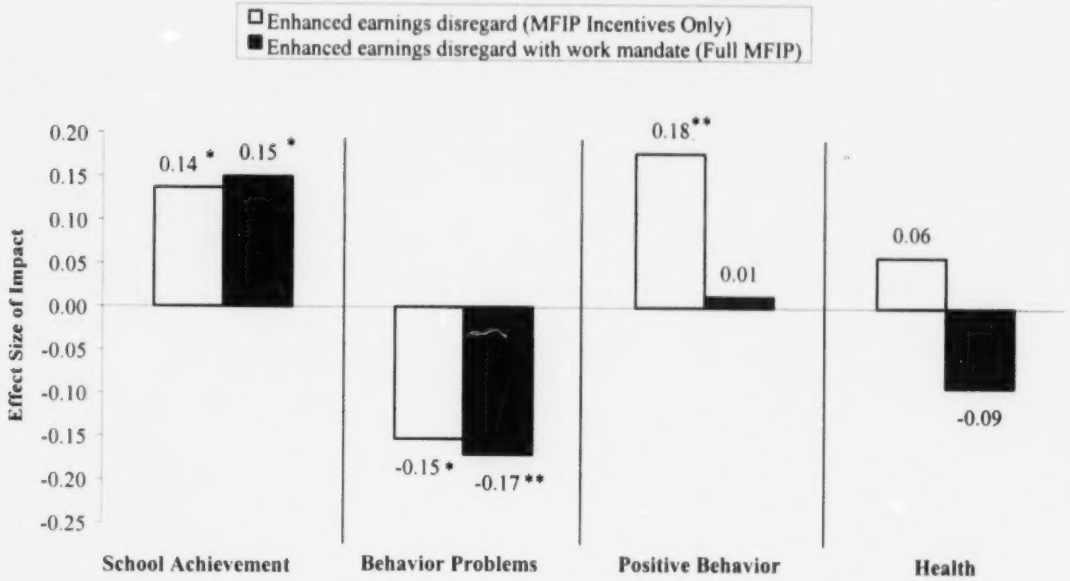
IV. How Might These Programs Have Affected Children? Effects on Child Care, Parents' Emotional Well-Being, and Parenting Behavior

There are a number of possible explanations for the effects of the earnings supplement programs discussed above. Through what mechanisms might the increases in parental employment and income caused by the programs benefit children? One possibility is that increased employment and financial stability improve parents' emotional well-being or reduce their feelings of stress. This, in turn, may have a favorable influence on parents' interactions with their children. Moreover, by increasing the use of child care (because of higher employment) and changing the type of child care that parents use (because of wider child care options made possible by higher income), earnings supplement programs introduce children to environments and educational opportunities to which they otherwise might not have been exposed. This, in turn, may enhance children's emotional and cognitive development. All these are mechanisms through which programs like New Hope, Full MFIP, MFIP Incentives Only, and SSP might have affected children.

It is critical to learn more about the mechanisms through which programs affect children and families because programs cannot always be fully replicated in new sites or locales, where different combinations of program features may be adopted or different factors — such as child care or parenting practices — may be specifically targeted. Attributing program effects on children to one or more specific mechanisms requires complicated statistical analyses beyond the scope of this synthesis. As outlined in more detail at the end of the monograph, future documents from the Next Generation project will present such analyses. In the present context, we simply explore the pathways by which these programs likely affected children.

Possible mediators of program effects on child outcomes are child care, family relations, parental well-being, and parenting practices. Evidence from the studies reviewed here suggest that the four programs with generous earnings supplements affected a number of these possible mediating factors in generally positive ways; however, the nature of the effects varied across

Figure 2.5
Adding Mandatory Employment Services to an Earnings Supplement Program Affected None of the Effects for Children Except Positive Behavior



NOTES: The MFIP sample includes children of parents in the MFIP evaluation aged 5-12 at the time of the three-year follow-up survey (aged approximately 2-9 at the time of random assignment) whose parents were long-term recipients in urban counties and underwent random assignment between April 1, 1994, and October 31, 1994 (sample size for Full MFIP = 587; sample size for MFIP Incentives Only = 573).

The statistical significance levels of the impacts are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test). The statistical significance levels of the differences between impacts are not noted in the figure. The only difference between impacts that was statistically significant was that in positive behavior for MFIP Incentives Only and Full MFIP.

Achievement was assessed using a single-item measure that asked parents to rate their child's overall performance in school on a scale ranging from 1 ("not well at all") to 5 ("very well").

Behavior problems were measured using parents' responses to a 12-item externalizing subscale of the Behavioral Problems Index that assesses aggressive behaviors such as bullying and cheating. Responses range from 0 ("not true") to 2 ("very true"). The responses to the 12 questions were summed to compute a single score for each child.

Positive behavior was measured with the 25-item Positive Behavior Scale, which included three subscales: compliance, social competence, and autonomy. Parents responded to each item on an 11-point scale ranging from 0 ("not at all like my child") to 10 ("completely like my child"). The responses to the 25 questions were summed to compute a single score for each child.

Health was assessed using a single-item measure that asked parents to rate their child's health on a five-point scale ranging from 1 ("poor") to 5 ("very good").

programs. New Hope increased the use of formal child care for young children, and other research has found that formal care arrangements are associated with greater cognitive readiness for school and improved social functioning among children.[7] Full MFIP also increased the use of formal and stable child care for children of long-term welfare recipients, but the MFIP Incentives Only program did not. SSP increased children's participation in after-school activities. With regard to family relations, both Full MFIP and MFIP Incentives Only increased marriage among single-parent long-term welfare recipients, and marriage may have positive effects on children's well-being. However, neither SSP nor New Hope produced similar effects on marriage rates.[8] Single-parent long-term welfare recipients in both the Full MFIP and MFIP Incentives Only programs were also less likely to report experiencing domestic abuse, an outcome that was not measured in New Hope or SSP. In some studies, there were also improvements in parents' emotional well-being: MFIP Incentives Only reduced parental depression among long-term welfare recipients, and New Hope reduced parental stress and increased parents' feelings of hope. But parents in New Hope also reported feeling more time pressure, and, surprisingly, SSP increased depression. In terms of parenting behavior, the programs had very few effects on the quality of parents' interactions with their children, one of the key ways in which increases in employment and income are expected to affect children.

All these findings illustrate how difficult it is to conclusively attribute the programs' effects on children to one mechanism. None of the outcomes considered to be possible mediators of effects on children was affected across all programs, at least according to the measures examined. All four programs have in common one program feature (a generous earnings supplement) and one result (an increase in employment and income), but the way in which these factors may have affected children remains unclear.

V. How Did Children and Families in the Program Groups Fare?

Effect size and impact analyses tell us nothing about how the children and families in earnings supplement programs fared — only how the program and control groups fared relative to one another. To get a sense of the absolute level of functioning in the families that experienced the programs, in this section we examine program group *outcomes* rather than effect sizes or impacts — specifically, how program group members fared according to several indicators of well-being for families, parents, and children.

Table 2.1 presents the outcome levels for single-parent families in the program groups who, at the time these measures were assessed, were already eligible for the earnings supplement and who had, on average, experienced more favorable outcomes than their counterparts in the control groups. Because some measures were available for more than one study, for each measure a range of outcome levels is presented. As indicated in the table, two-thirds to three-quarters of parents in the program groups had incomes from earnings and benefits that put them below the

[7] Zaslow, Oldham, Moore, and Magenheim, 1998; Zaslow, McGroder, Moore, and LeMenestrel, 1999.

[8] In one province, SSP increased marriage rates; in the other province, it reduced marriage rates. New Hope had no effects on marriage rates.

Table 2.1

Program Group Outcomes for Earnings Supplement Programs

Outcome	Average Level in Program Group(s), %	Number of Studies Outcome Was Measured	Program Improved Outcomes on This Measure[a]
Material hardship			
Parent has income below poverty	69 - 73	2	✓
Any child skipped meal due to lack of money for food	5 - 6	2	
Health insurance coverage			
Child with continuous health insurance coverage over 3 years	76 - 79	2	✓
Neighborhood quality			
Lives in a safe neighborhood	73 - 76	2	
Parents' well-being			
Parent at risk of clinical depression	23 -49	3	✓
Parent stressed much or all of the time	49	1	
Parent physically abused by partner last year	22	2	✓
Children's well-being			
Child repeated grade since random assignment	4 - 14	3	
Child received special education since random assignment	14 - 21	3	
Child with high behavioral or emotional problems	7 - 11	2	✓
Child at or below 25th percentile on language skills	38	1	✓
Child with long-term health problems	32	1	✓
Child in very good or excellent health	75 - 80	2	

NOTES: In each study, children were selected for inclusion in the sample on the basis of their age at random assignment or their age at follow-up. The programs with earnings supplements are the four programs in the MFIP, SSP, and New Hope evaluations.

The MFIP sample includes children (of parents in the MFIP evaluation) aged 5-12 at the time of the three-year follow-up survey (aged approximately 2-9 at the time of random assignment) whose parents were long-term recipients in urban counties and underwent random assignment between April 1, 1994, and October 31, 1994 (sample size for Full MFIP = 587; for MFIP Incentives Only = 573).

The SSP sample includes children (of parents in the SSP evaluation) aged 6-11 at the time of the three-year survey (aged approximately 3-8 at random assignment) who were living in the home at the time of random assignment and at the time of the three-year follow-up survey (sample size = 2,158).

The New Hope sample includes children aged 1-10 at random assignment of the single-parent members of the New Hope evaluation who participated in the two-year follow-up survey (sample size = 832).

[a]A check mark signifies that the outcomes on the measure were improved in at least one study.

poverty line during the study period, indicating that their incomes were generally very low despite the increases in income produced by the programs. A very small proportion of program group families seemed to be living in extreme deprivation, with 5 percent to 6 percent of parents reporting that their children were forced to skip meals because of lack of money for food. Three-quarters of parents had children who had continuous health insurance coverage over the previous three years, and three-quarters of parents reported living in what they deemed to be safe neighborhoods.

The findings also suggest that these single parents — the great majority of whom were mothers — and their children were still at risk of psychological, physical, and cognitive problems after being in the programs. According to self-reports collected from parents two or three years after random assignment, one-quarter to one-half of parents were at risk of clinical depression, one-half felt stressed much or all of the time, and one-fifth had been physically abused by a partner in the previous year. As for their children, since random assignment around 10 percent had repeated a grade, about one-fifth had received special education, and about 10 percent had a high level of behavioral or emotional problems. More than one-third of children scored at or below the 25th percentile on a nationally standardized test of language skills. A comparable proportion of children had long-term health problems, although most parents reported that their children were in very good or excellent health.

- **Despite the benefits to families of the earnings supplements, many children and families in such programs remained at risk.**

Even after improvements resulting from the programs are taken into account, many children with parents in the earnings supplement programs were still struggling, as were their parents. While the positive effects on children were measurable and consistent across studies, they clearly do not obviate the need for other interventions targeted at low-income children.

VI. Effects on Long-Term Welfare Recipients

Much of the impetus behind welfare reform arose from concern about long-term welfare recipients, families who were using welfare not as a temporary safety net but for long periods of time. In the current welfare climate, parents in these families face the greatest barriers to employment because they are least likely to have the skills to move from welfare to employment. They are also most likely to be affected by welfare time limits. As caseloads decline, these families are most likely to remain on the rolls.

- **The positive effects of earnings supplements on employment and income are larger for long-term welfare recipients than for recipients with a shorter welfare history.**

Short-term welfare recipients are more likely than long-term recipients both to have a job history and work skills and to work in the absence of a welfare-to-work program. Therefore, the differences between program and control groups are generally smaller among short-term recipi-

ents than among their long-term counterparts in programs like MFIP.[9,10] As discussed in detail below, the average increase in income is also larger among long-term welfare recipients; it is therefore likely that effects on children are most pronounced in these families as well.

In the figures presented earlier in this chapter, data on children in the MFIP Incentives Only and Full MFIP programs are presented for families who had received welfare for two years or more. In the Appendix, we compare the effects of the two MFIP programs with those of SSP[11] and New Hope for this same subgroup of families to see whether the cross-program consistency of the findings in the child samples examined earlier held in the long-term recipient subgroups (see Appendix Table 2). For this subgroup, both Full MFIP and MFIP Incentives Only raised parents' ratings of children's school achievement. Similarly, New Hope increased both parents' and teachers' ratings of children's achievement for long-term recipients. (Note that these New Hope effects are even larger than those reported above for the child sample examined earlier, which included the children of all low-income single parents.) SSP had positive effects on parents' ratings of children's school achievement for parents with two or more years of welfare receipt, as the program did for families with a year or more of welfare receipt (as presented earlier in this monograph).

There is a similar pattern of positive effects for children's behavior problems, although here the effects are smaller and less consistent across studies (see Appendix Table 2). Reductions in behavior problems were found among long-term welfare recipients, but only for Full MFIP and MFIP Incentives Only. The patterns in New Hope are similar but not statistically significant, and no such effects were found in SSP. A similar pattern of effects, with two programs (in this case, MFIP Incentives Only and New Hope) producing favorable effects, was observed for children's positive behavior.

While the programs were more successful in improving outcomes for children of long-term than short-term recipients, children in control group families with long-term welfare receipt fared worse than children in control group families with a shorter welfare history (often called recent applicants). For example, on average, children in recent applicant families were rated higher on positive behavior and lower on behavior problems.[12] Children in recent applicant families were also about half as likely to be performing below average in school and about half as likely to be suspended or expelled as their peers in long-term recipient families. Given that parents in long-term recipient families face greater employment barriers and have fewer job skills, it is not surprising that their children also face greater difficulties.

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[9]Berlin, 2000; Knox et al., 2000.

[10]Notably, not all earnings supplement programs are less effective at increasing employment and income among people with a shorter history of welfare receipt. For example, a companion to the SSP study examined in this monograph (for which data on children have not yet been analyzed) tested the effect of offering the SSP earnings supplement to welfare applicants, but only after they had been on welfare for at least one year during the study period. The one-year waiting period boosted the program's effectiveness by reducing the number of applicants receiving the supplement who would have started working even without the supplement (Berlin, 2000).

[11]The SSP sample consisted of single parents who had been on welfare during 11 of the previous 12 months. In this analysis, single parents who had been on welfare for at least two years were treated as long-term welfare recipients to make the sample more comparable to that in the MFIP study.

[12]Gennetian and Miller, 2000.

- **The positive impacts of programs with earnings supplements on children are particularly pronounced among long-term welfare recipients.**

In part, the larger child impacts in families with long-term welfare receipt may be a result of the programs' larger effects on long-term recipients' income and employment. As a result of these positive impacts, program group children in this subgroup perform at a level near that of control group children in families that had received welfare for less than two years. In other words, the earnings supplement programs increased these children's average outcomes to the level of the highest-functioning children in these low-income samples.

VII. Differences Between Preschool-Aged and Early School-Aged Children

In light of the research on the effects of child care and income on children reviewed earlier in this chapter, which indicated that the association between family income and school achievement is stronger for younger than for older children and that child care environments have important effects on younger children's functioning, one might expect the impact of earnings supplement programs on achievement to be stronger and more positive for preschool-aged children than for children in middle childhood, although it is less clear what the age differences in impacts on social behavior, if any, might be. In this section, we examine the effects of earnings supplement programs separately on the basis of children's age when parents first enrolled in the study, comparing impacts for children who were 3-5 years old with those for children who were 6-9 years old. Assessments of the children were collected two to three years after parents' random assignment.

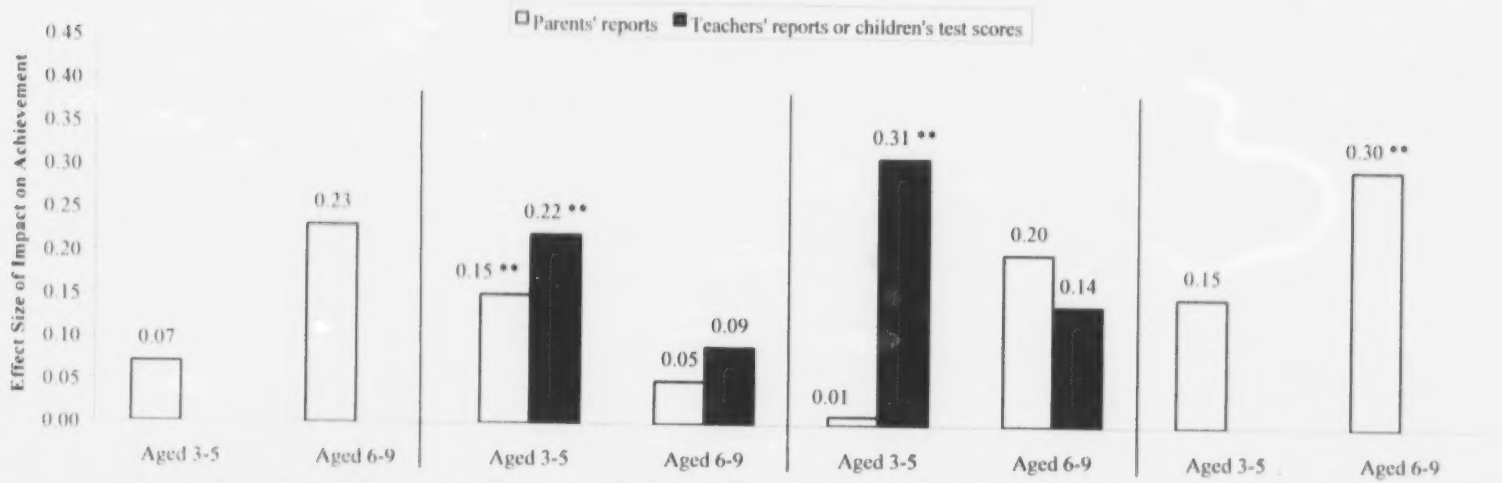
In general, the programs that included earnings supplements had positive impacts on children in both age groups; however, some interesting patterns of effects on children's social behavior were observed. The impacts on achievement did not consistently favor younger or older children (see Figure 2.6). The impacts of SSP were larger for younger than for older children. The pattern of impacts in the New Hope study depended on whether parents or teachers assessed the child. Finally, the impacts of the two MFIP programs were stronger for the older than the younger children. However, none of these subgroup differences were statistically significant.

The programs' effects on social behavior show more pronounced age differences, but these differences were not statistically significant (see Figure 2.7). The impacts were generally larger for older than for younger children, with the older children more often showing positive impacts on social behavior (reductions in behavior problems). This finding is reinforced by our analyses of positive as well as negative aspects of children's behavior (not shown in figures). Again, none of these differences for younger and older children were statistically significant.

VIII. Differences Between Boys and Girls

Separate analyses of the effects of earnings supplement programs on girls' and boys' school achievement revealed no large gender differences (see Figure 2.8). Only in the case of MFIP Incentives Only did the impacts differ by gender, and those impacts were more pronounced for girls than for boys. In SSP, the impacts were positive for both boys and girls. The impacts on children's test scores in New Hope and on parents' ratings of achievement in both New Hope and

Figure 2.6
The Effects on School Achievement Did Not Differ Consistently Across Earnings Supplement Programs by Children's Age at Random Assignment



NOTES: In each study, children were selected for inclusion in the sample on the basis of their age at random assignment or their age at follow-up.

The MFIP sample includes children of parents in the MFIP evaluation aged 6-12 at the time of the three-year follow-up survey (aged approximately 3-9 at the time of random assignment) whose parents were long-term recipients in urban counties and underwent random assignment between April 1, 1994, and October 31, 1994 (sample size for Full MFIP = 488; sample size for MFIP Incentives Only = 472).

The SSP sample includes children of single parents in the SSP evaluation aged 6-11 at the time of the three-year follow-up survey (aged approximately 3-8 at random assignment) who were living in the home at the time of random assignment and at the time of the three-year follow-up survey (sample size = 2,158).

The New Hope sample includes children of the single parents in the New Hope evaluation who were aged 3-9 at random assignment and whose parents participated in the two-year follow-up survey (sample size = 546).

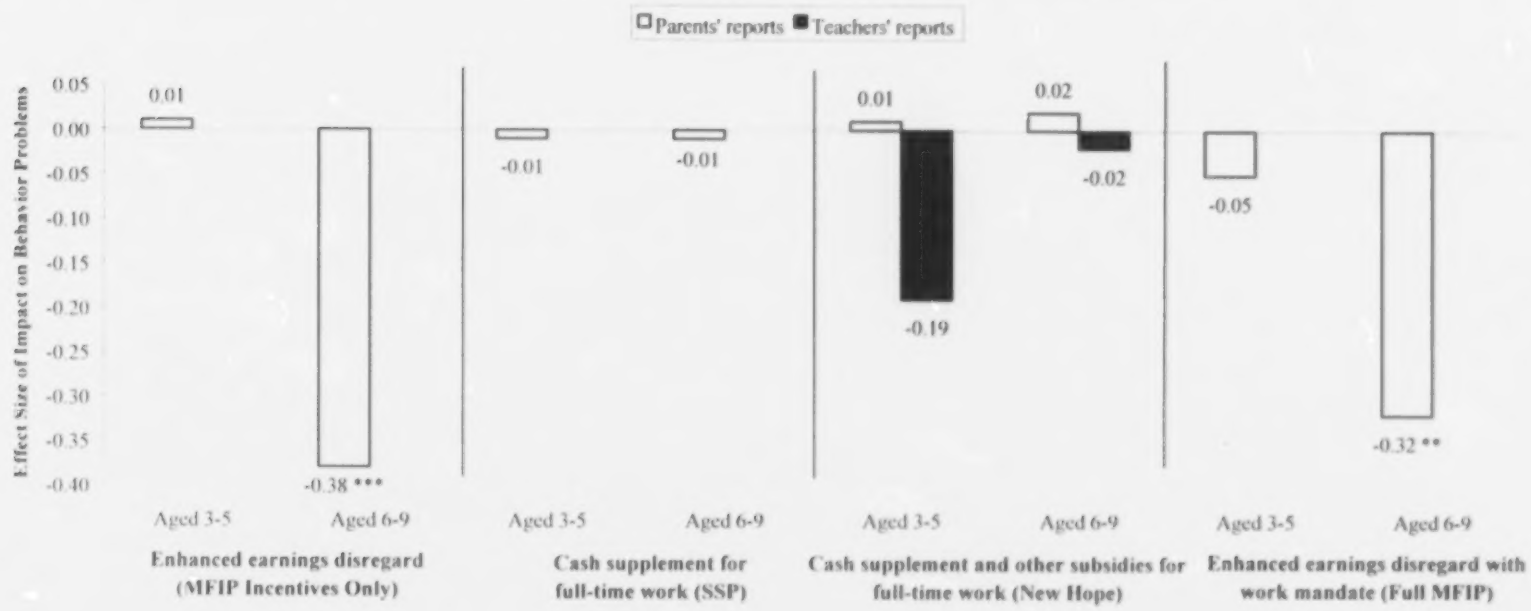
The statistical significance levels of the impacts are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test). The statistical significance levels of the differences between impacts are not noted in the figure. None of the differences between impacts for the children aged 3-5 and the children aged 6-9 were statistically significant.

In MFIP, achievement was assessed using a single-item measure that asked parents to rate their child's overall performance in school on a scale ranging from 1 ("not well at all") to 5 ("very well").

In SSP, achievement was measured using a 26- to 34-item math skills test and expressed in terms of the proportion of items answered correctly. Parents' assessments of achievement were measured using their ratings of their child's functioning in three academic subjects on a five-point scale ranging from 1 ("not very well") to 5 ("very well"). The ratings were averaged across the three academic subjects to compute a single score for each child.

In New Hope, teachers' reports of achievement were measured using the 10-item Academic Subscale from the Social Skills Rating System, which asked teachers to rate the child's skills relative to those of other children in areas such as math, reading, and oral communication on a five-point scale ranging from 1 ("bottom 10 percent") to 5 ("top 10 percent"). The responses were averaged across the 10 items to compute a single score for each child. Parents' assessments of achievement were measured using a single-item measure that asked parents to rate their child's school performance, based on past report cards or other sources, on a five-point scale ranging from 1 ("not at all well") to 5 ("very well").

Figure 2.7
Earnings Supplement Programs Decreased Behavior Problems Somewhat More for Children Who Were Older Than for Children Who Were Younger at Random Assignment



NOTES: In each study, children were selected for inclusion in the sample on the basis of their age at random assignment or their age at follow-up.

The MFIP sample includes children of parents in the MFIP evaluation aged 6-12 at the time of the three-year follow-up survey (aged approximately 3-9 at the time of random assignment) whose parents were long-term recipients in urban counties and underwent random assignment between April 1, 1994, and October 31, 1994 (sample size for Full MFIP = 488; sample size for MFIP Incentives Only = 472).

The SSP sample includes children of single parents in the SSP evaluation aged 6-11 at the time of the three-year follow-up survey (aged approximately 3-8 at random assignment) who were living in the home at the time of random assignment and at the time of the three-year follow-up survey (sample size = 2,158).

The New Hope sample includes children of the single parents in the New Hope evaluation who were aged 3-9 at random assignment and whose parents participated in the two-year follow-up survey (sample size = 546).

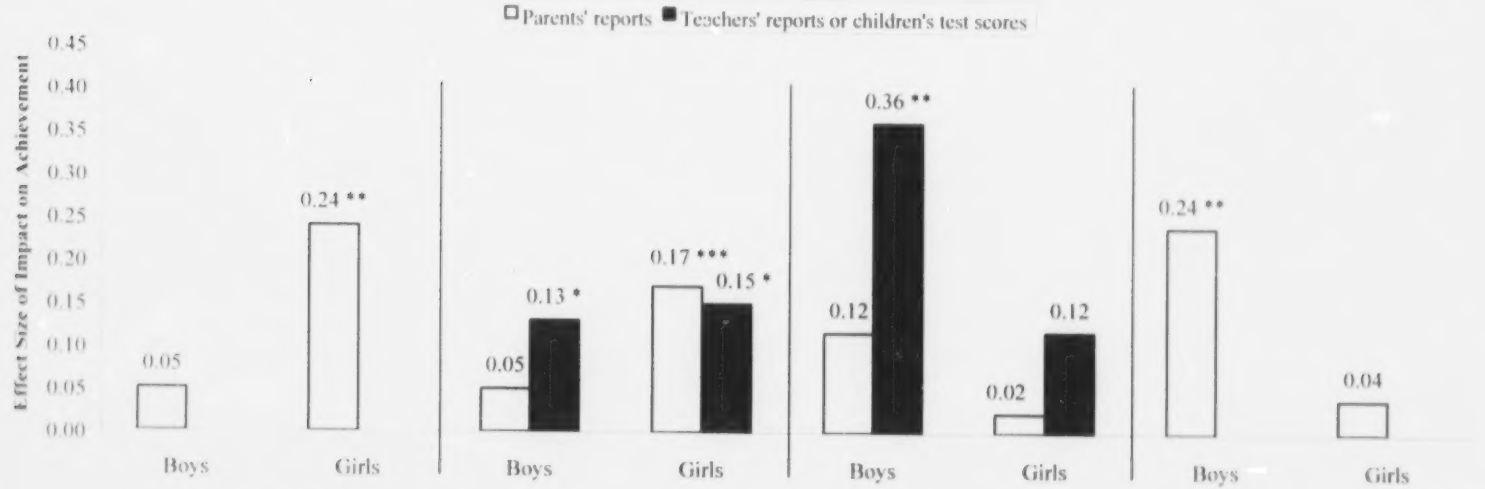
The statistical significance levels of the impacts are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test). The statistical significance levels of the differences between impacts are not noted in the figure. None of the differences between impacts for the children aged 3-5 and the children aged 6-9 were statistically significant.

In MFIP, behavior problems were measured using parents' responses to a 12-item externalizing subscale of the Behavioral Problems Index that assesses aggressive behaviors such as bullying and cheating. Responses range from 0 ("not true") to 2 ("very true"). The responses to the 12 questions were summed to compute a single score for each child.

In SSP, behavior problems were measured using a four-item externalizing subscale that asked parents to assess their child's acting out and aggressive behaviors on a three point scale ranging from 1 ("never") to 3 ("often"). The responses were averaged across the four items to compute a single score for each child.

In New Hope, behavior problems were measured using a six-item externalizing subscale of the Problem Behavior Scale from the Social Skills Rating System that asked parents and teachers about the child's aggressive behavior and how often the child needed to be disciplined for misbehavior on a five-point scale ranging from 1 ("never") to 5 ("all the time"). The responses were averaged across the six items to compute a single score for each child.

Figure 2.8
The Effects on School Achievement Did Not Differ for Boys and Girls Consistently Across Earnings Supplement Programs



NOTES: In each study, children were selected for inclusion in the sample on the basis of their age at random assignment or their age at follow-up.

The MFIP sample includes children of parents in the MFIP evaluation aged 5-12 at the time of the three-year follow-up survey (aged approximately 2-9 at the time of random assignment) whose parents were long-term recipients in urban counties and underwent random assignment between April 1, 1994, and October 31, 1994 (sample size for Full MFIP = 587; sample size for MFIP Incentives Only = 573).

The SSP sample includes children (of parents in the SSP evaluation) aged 6-11 at the time of the three-year survey (aged approximately 3-8 at random assignment) who were living in the home at the time of random assignment and at the time of the three-year follow-up survey (sample size = 2,158).

The New Hope sample includes children of the single parents in the New Hope evaluation who were aged 1-10 at random assignment and whose parents participated in the two-year follow-up survey (sample size = 832).

The statistical significance levels of the impacts are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test). The statistical significance levels of the differences between impacts are not noted in the figure. The only difference between impacts that was statistically significant was the one for achievement in MFIP Incentives Only.

In MFIP, achievement was assessed using a single-item measure that asked parents to rate their child's overall performance in school on a scale ranging from 1 ("not well at all") to 5 ("very well").

In SSP, achievement was measured using a 26- to 34-item math skills test and expressed in terms of the proportion of items answered correctly. Parents' assessments of achievement were measured using their ratings of their child's functioning in three academic subjects on a five-point scale ranging from 1 ("not very well") to 5 ("very well"). The ratings were averaged across the three academic subjects to compute a single score for each child.

In New Hope, teachers' reports of achievement were measured using the 10-item Academic Subscale from the Social Skills Rating System, which asked teachers to rate the child's skills relative to those of other children in areas such as math, reading, and oral communication on a five-point scale ranging from 1 ("bottom 10 percent") to 5 ("top 10 percent"). The responses were averaged across the 10 items to compute a single score for each child. Parents' assessments of achievement were measured using a single-item measure that asked parents to rate their child's school performance, based on past report cards or other sources, on a five-point scale ranging from 1 ("not at all well") to 5 ("very well").

Full MFIP were larger for boys than for girls (although the differences between the subgroup impacts were not statistically significant in any of the latter three programs).

As for children's behavior outcomes, two of the earnings supplement programs had a more favorable impact on girls' behavior than on boys', while one program had no effect for either boys or girls and one had favorable effects for boys but unfavorable effects for girls (see Figure 2.9). In the two MFIP programs there were reductions in behavior problems for girls but not for boys (although only in MFIP Incentives Only was the difference between impacts statistically significant). SSP had no effect on behavior problems for boys or girls. New Hope had more favorable impacts on behavior problems for boys than for girls (see Figure 2.9). In fact, the program's impacts on girls' behavior problems were unfavorable: Teachers rated girls in the program group as having more behavior problems than girls in the control group. Finally, the effects on positive behavior are also inconsistent across programs. For instance, whereas MFIP Incentives Only had positive effects for girls but not for boys, New Hope had positive effects for boys but not for girls (not shown in figures).

In sum, some of the programs with earnings supplements had effects primarily on girls, while others had effects primarily on boys. With one exception, all these effects were either favorable or neutral. There is no clear pattern across programs suggesting that one gender is favored over the other.

IX. Summary and Discussion of the Effects of Programs with Earnings Supplements

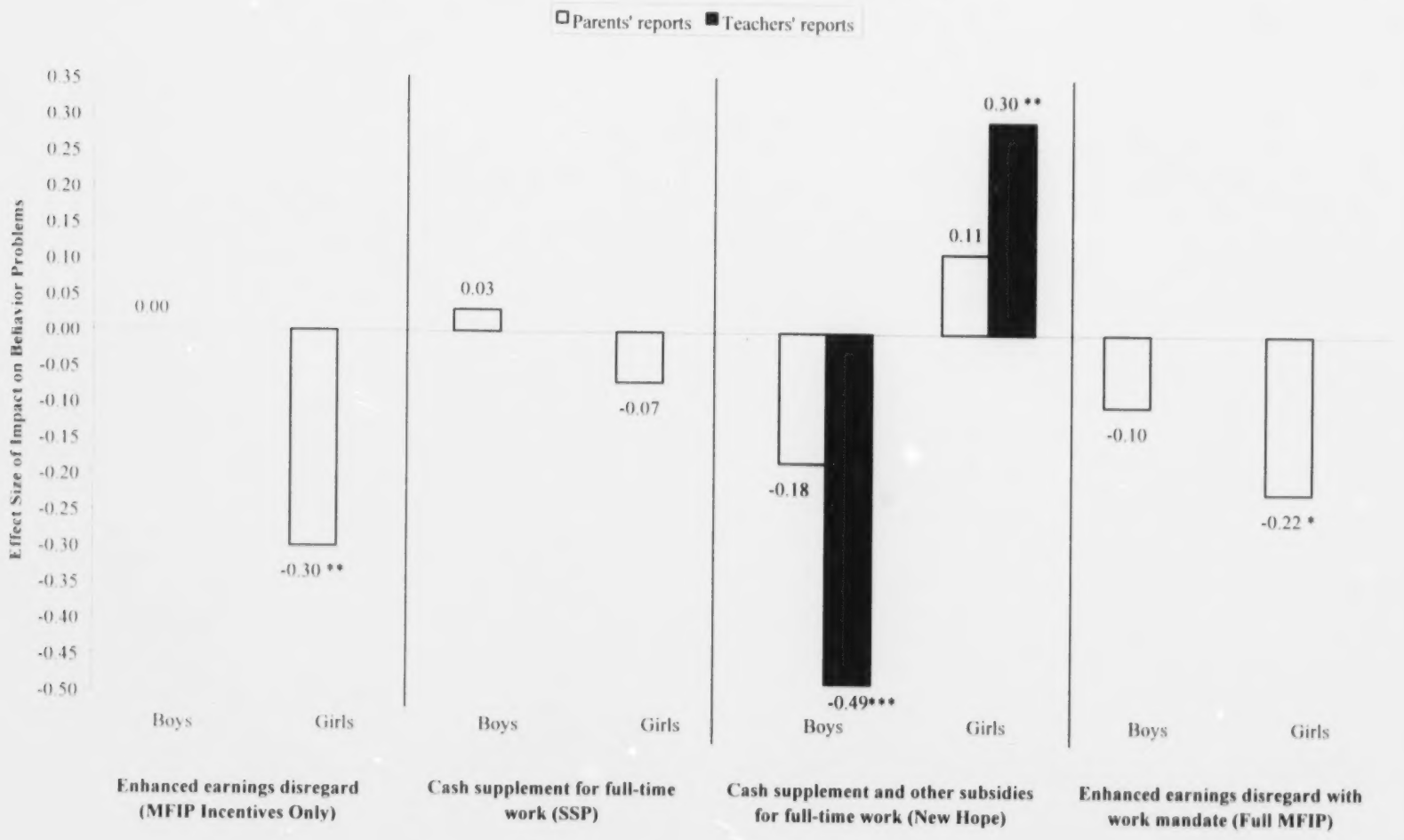
These findings suggest that programs with earnings supplements lead to small to modest improvements in child outcomes, particularly for children in long-term recipient families. The feature that these programs share is the offer of a generous earnings supplement; their differences in case management, employment services, in-kind benefits, and whether they provide earnings supplements within or outside the welfare system do not appear to result in differences between these programs in their impacts on children. Moreover, the results appear to hold across a diverse set of sites, samples, and macroeconomic conditions.

Can these findings be generalized to other programs that include earnings supplements? The earnings supplements offered by the programs examined in this chapter were generous, but not more so than those offered by a number of programs currently in effect.

As discussed in greater detail in the companion monograph[13] focusing on the impacts of welfare and employment policies on parental employment and income, a typical program group member in the MFIP study who worked 20 hours per week at $6 an hour took home about $250 more in monthly income than she would have under the old welfare rules (which applied to the control group). If she worked 40 hours per week, however, her monthly income would have been only about $150 higher than it would have been under the old rules. In SSP, in contrast, a typical program group member working 20 hours per week at $6 an hour who received the earnings supplement did not receive any more income than a typical control group member who worked the

[13]Bloom and Michalopoulos, 2001.

Figure 2.9
The Effects on Behavior Problems Did Not Differ for Boys and Girls Consistently Across Earnings Supplement Programs



NOTES: In each study, children were selected for inclusion in the sample on the basis of their age at random assignment or their age at follow-up.

The MFIP sample includes children of parents in the MFIP evaluation aged 5-12 at the time of the three-year follow-up survey (aged approximately 2-9 at the time of random assignment) whose parents were long-term recipients in urban counties and underwent random assignment between April 1, 1994, and October 31, 1994 (sample size for Full MFIP = 587; sample size for MFIP Incentives Only = 573).

The SSP sample includes children of single parents in the SSP evaluation aged 6-11 at the time of the three-year follow-up survey (aged approximately 3-8 at random assignment) who were living in the home at the time of random assignment and at the time of the three-year follow-up survey (sample size = 2,158).

The New Hope sample includes children of the single parents in the New Hope evaluation who were aged 1-10 at random assignment and whose parents participated in the two-year follow-up survey (sample size = 832).

The statistical significance levels of the impacts are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test). The statistical significance levels of the differences between impacts are not noted in the figure. The only differences between impacts that were statistically significant were that in parent-reported behavior problems for MFIP Incentives Only and that in teacher-reported behavior problems for New Hope.

In MFIP, behavior problems were measured using parents' responses to a 12-item externalizing subscale of the Behavioral Problems Index that assesses aggressive behaviors such as bullying and cheating. Responses range from 0 ("not true") to 2 ("very true"). The responses to the 12 questions were summed to compute a single score for each child.

In SSP, behavior problems were measured using a four-item externalizing subscale that asked parents to assess their child's acting out and aggressive behaviors on a three-point scale ranging from 1 ("never") to 3 ("often"). The responses were averaged across the four items to compute a single score for each child.

In New Hope, behavior problems were measured using a six-item externalizing subscale of the Problem Behavior Scale from the Social Skills Rating System that asked parents and teachers about the child's aggressive behavior and how often the child needed to be disciplined for misbehavior on a five-point scale ranging from 1 ("never") to 5 ("all the time"). The responses were averaged across the six items to compute a single score for each child.

same amount; if the program group member worked 40 hours per week at the same wage, however, she received nearly $400 more per month than the control group member.

How do these supplements compare with those provided by programs now in effect? The federal Earned Income Credit (EIC) currently provides nearly $4,000 per year to a parent with two children who works full time at a minimum-wage job. In addition, most states have implemented an "enhanced earnings disregard" as part of their welfare reform strategy, as did the MFIP programs. In a number of states, the enhanced earnings disregards are as generous as the supplements examined here, or more so. A welfare recipient in Connecticut, for instance, can now continue receiving all her welfare and Food Stamp benefits as long as she earns less than the federal poverty threshold. Relative to how she would have fared under the AFDC system, this disregard provides her with about $600 more per month in income if she works full time at a minimum-wage job. And California now allows welfare recipients who work to keep the first $225 of their monthly earnings without having their welfare benefits reduced; beyond that point, each additional dollar of earnings reduces their benefits by only half a dollar (rather than reducing benefits by about a dollar for every dollar of earnings as under AFDC). As a result, a working welfare recipient in California can receive as much of an income boost as a program group member who received the maximum benefits in these studies. The situation is similar in other high-grant states that have expanded their earnings disregards.

At the same time, not all enhanced disregards are as generous as the supplements provided by the programs analyzed in this chapter. In some states, the disregard is very low, sometimes as low as 20 percent of a recipient's earnings (in Nebraska, for example). Also, in states with very low benefit levels, even an enhanced earnings disregard translates into little increase in family income. For example, in Connecticut, where the maximum benefit for a family of three is over $500, 100 percent of income from earnings is disregarded in calculating the grant level. In North Carolina, the earnings disregard in the first three months of employment is the same as in Connecticut, but the corresponding welfare grant is half as large. Therefore, the boost in income from remaining on welfare while working is much smaller in North Carolina than in Connecticut.

The findings in this monograph suggest that make-work-pay strategies benefit children. But it is unclear whether programs that provide less generous earnings supplements will have the same benefits for children as the earnings supplement programs examined here.

Chapter 3

Effects on Children of Programs with Mandatory Employment Services

Mandatory employment services are intended to increase employment by requiring parents to participate in employment, employment-related activities, or education as a condition of receiving welfare benefits. On the one hand, mandatory employment services may increase parental stress — particularly when parents feel coerced to participate — and thereby affect children adversely. A large body of data indicates that maternal employment is associated with fewer positive and more negative outcomes for children when mothers believe that it is inconsistent with their roles as parents.[1] Moreover, parents who fail to participate in mandatory programs may be faced with a partial or complete loss of welfare benefits, which may increase stress by reducing family income. On the other hand, because such programs may increase employment and reduce welfare receipt, they may improve parents' sense of competence and well-being, which could result in positive outcomes for children. In Chapter 2, we found that adding a participation mandate did not diminish the positive effects on children of an earnings supplement program. In this chapter, we focus on the effects of the six out of the 11 programs in this monograph that provided mandatory employment services without earnings supplements; all six programs were studied in the NEWWS evaluation.[2]

Each of the six programs took one of two basic approaches to providing mandatory employment services: a job-search-first approach or an education-first approach. In the job-search-first approach, welfare recipients were required to begin by looking for work, either on their own or through group activities that teach job-seeking skills (such as job clubs). In the education-first approach, most participants were assigned initially to classroom-based education or training services. For participants who had not completed high school, these classes took the form of basic education programs offering remedial English or math instruction or preparation for the General Educational Development (GED) exam. For high school graduates, these classes took the form of vocational educational programs. Notably, the education provided in these programs was generally not at an advanced or college level but was instead basic educational instruction that was generally available in the community. Therefore, the results cannot tell us how children are affected by programs that provide parents with higher-level education.

I. Effects on Parents' Economic Outcomes

- **The programs with mandatory employment services generally increased employment.**

The impacts on employment of the programs that provided mandatory employment services (without earnings supplements) are comparable to those of the earnings supplement programs dis-

[1] Alvarez, 1985; Farel, 1980.

[2] This chapter is based on a reanalysis of the data from the NEWWS Child Outcomes Study (McGroder et al., 2000).

cussed in Chapter 2.[3] For families with young children (the sample analyzed here), five of the six programs increased employment.[4] Because the education-first programs initially placed parents in adult basic education, their impacts on employment in the first year were generally smaller than those of job-search-first programs. This difference seems to have disappeared by the third year, although it nevertheless resulted in larger average increases in earnings for the job-search-first programs compared with the education-first programs over the evaluation period as a whole.[5]

- **In addition to increasing employment, mandatory employment services are intended to reduce welfare receipt, and the programs with mandates examined here did so. However, the programs generally left income unchanged.**

The effects of the programs with mandatory employment services on welfare receipt generally mirror their effects on employment: Those that had the largest effects on employment reduced welfare receipt the most.[6] Four of the six programs examined here decreased welfare receipt among families with young children.[7] Because parents are in essence trading their welfare benefits for earnings, however, families in these programs were left with no more income on average than families in the control group, who were more likely to be receiving welfare.

- **Unlike the programs with earnings supplements, the programs that provided only mandatory employment services cost little and sometimes saved the government money.**

The average net cost over two years of the six programs with mandatory employment services ranged from a savings of $1,678 per family to a cost of $2,968 per family, lower than the average net cost of the programs with earnings supplements. Because of the welfare savings generated by these programs, mandatory employment services by themselves increase family earnings but not family income, and they can sometimes save the government money.

II. Effects on Children

- **The programs with mandatory employment services generally had no effect on young children's school achievement.**

Figure 3.1 shows the effects on young children's school achievement of each of the education-first and job-search-first programs in the NEWWS evaluation (see left panel) alongside the effects of the programs with earnings supplements discussed in Chapter 2 (see right panel). Because all the children in the NEWWS Child Outcomes Study[8] (also the sample of children examined here) were 3-5 years old when their parents underwent random assignment, for purposes of comparison the results for the earnings supplement programs shown in Figure 3.1 are limited

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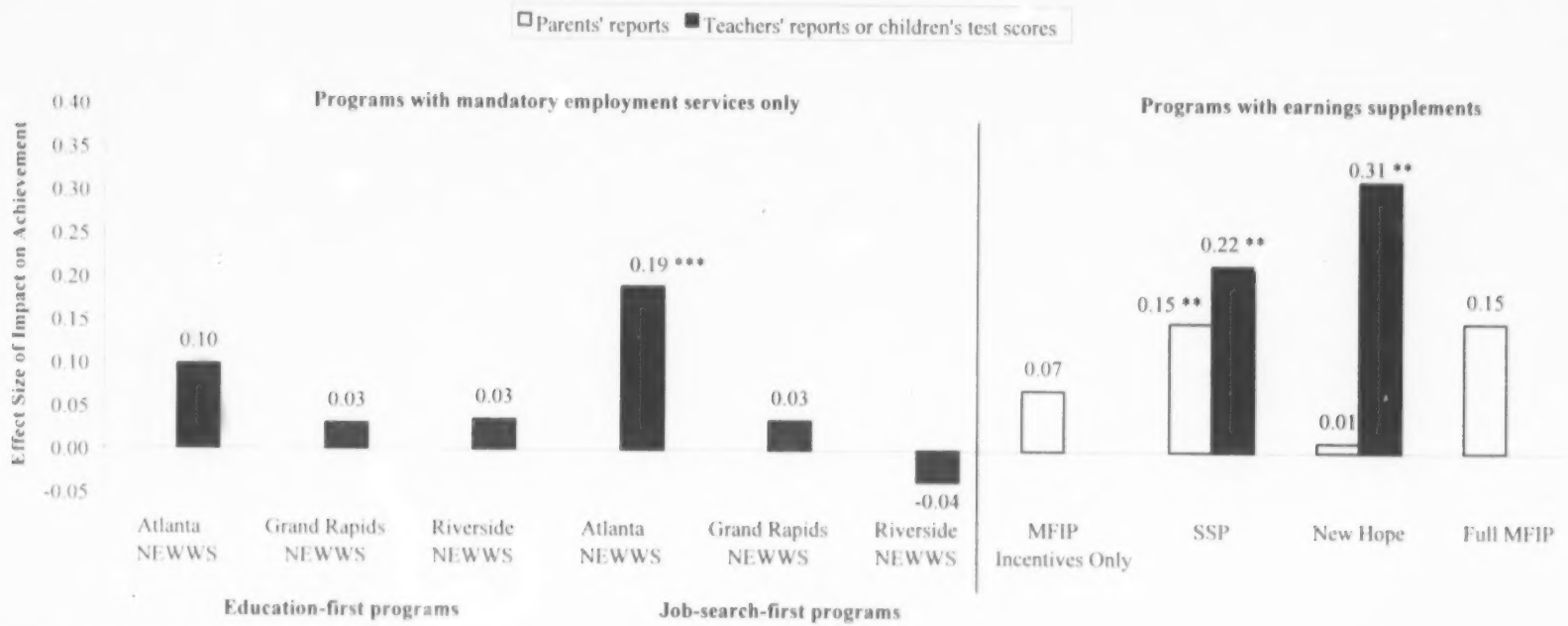
[3]Bloom and Michalopoulos, 2001.
[4]Hamilton, 2000.
[5]Bloom and Michalopoulos, 2001.
[6]Bloom and Michalopoulos, 2001.
[7]Hamilton, 2000.
[8]McGroder et al., 2000.

Figure 3.1
For Children Aged 3-5 at Random Assignment, Programs with Mandatory Employment Services Had Few Effects on School Achievement



NOTES: In each study, children were selected for inclusion in the sample on the basis of their age at random assignment or their age at follow-up.

The NEWWS sample includes children of single mothers in the NEWWS evaluation aged 3-5 at the beginning of the study whose parents were randomly selected to participate in the two-year follow-up survey (sample sizes for education-first programs: Atlanta = 1,026, Grand Rapids = 421, Riverside = 578; sample sizes for job-search-first programs: Atlanta = 902, Grand Rapids = 441, Riverside = 694).

The MFIP sample includes children of parents in the MFIP evaluation aged 6-8 at the time of the three-year follow-up survey (aged approximately 3-5 at the time of random assignment) whose parents were long-term recipients in urban counties and underwent random assignment between April 1, 1994, and October 31, 1994 (sample size for Full MFIP = 286; sample size for MFIP Incentives Only = 289).

The SSP sample includes children of single parents in the SSP evaluation aged 6-8 at the time of the three-year follow-up survey (aged approximately 3-5 at random assignment) who were living in the home at random assignment and at the time of the three-year follow-up survey (sample size = 1,318).

The New Hope sample includes children of the single parents in the New Hope evaluation who were aged 3-5 at random assignment and whose parents participated in the two-year follow-up survey (sample size = 265).

Statistical significance levels are indicated as: * = 10 percent, ** = 5 percent, *** = 1 percent (two-tailed test).

In NEWWS, achievement was measured using children's standard scores on the Bracken School Readiness Composite test, which assesses knowledge of colors, letters, numbers/counting, comparisons, and shapes.

In MFIP, achievement was assessed using a single-item measure that asked parents to rate their child's overall performance in school on a scale ranging from 1 ("not well at all") to 5 ("very well").

In SSP, achievement was measured using a 26- to 34-item math skills test and expressed in terms of the proportion of items answered correctly. Parents' assessments of achievement were measured using their ratings of their child's functioning in three academic subjects on a five-point scale ranging from 1 ("not very well") to 5 ("very well"). The ratings were averaged across the three academic subjects to compute a single score for each child.

In New Hope, teachers' reports of achievement were measured using the 10-item Academic Subscale from the Social Skills Rating System, which asked teachers to rate the child's skills relative to those of other children in areas such as math, reading, and oral communication on a five-point scale ranging from 1 ("bottom 10 percent") to 5 ("top 10 percent"). The responses were averaged across the 10 items to compute a single score for each child. Parents' assessments of achievement were measured using a single-item measure that asked parents to rate their child's school performance, based on past report cards or other sources, on a five-point scale ranging from 1 ("not at all well") to 5 ("very well").

to the children who were 3-5 years old at the time of their parents' random assignment. Unlike the programs with earnings supplements, which had generally positive impacts on achievement, the programs that provided only mandatory employment services produced few effects. Only one of the six programs affected test scores at all: Children of parents in Atlanta's jobs-search-first program had higher test scores, on average, than their control group counterparts.

- **The effects on children's school achievement of programs with mandatory employment services did not differ for job-search-first programs compared with education-first programs.**

How are children affected by programs that use a job-search-first as opposed to an education-first strategy? To answer this question, the NEWWS evaluation was designed to allow side-by-side comparison of the two approaches in each of the three sites. One might expect that moving parents into employment would have a different effect on children's achievement than moving parents into education programs. Although in both cases children are faced with separation from their parents, parents who are engaged in school programs may serve as role models conveying the importance of school to their children and may become better teachers to their children. In that case, then one would predict education-first programs to have more positive effects than job-search-first programs on children's school achievement. Indeed, studies have found that parents with more education use a more positive teaching style with their children.[9] However, studies that attempted to control for other characteristics associated with differences in mothers' education level (such as income) found that a higher level of education had mixed effects on children's achievement.[10]

As Figure 3.1 makes evident, neither the education-first nor the job-search-first approach affected children's school achievement consistently across the sites in NEWWS. Both approaches produced small and generally not statistically significant effects on test scores. The effects that were observed appear to be specific to particular sites rather than associated with a particular program approach. In other words, there was greater similarity between the effects of programs in the same site than between the effects of programs that used the same approach.

- **The programs with mandatory employment services generally had mixed effects on children's behavior; the effects on children's health were neutral or negative.**

As Figure 3.2 illustrates, the pattern of effects on children's behavior problems is not consistent across the six programs with mandatory employment services. Both Atlanta programs reduced children's behavior problems.[11] In Grand Rapids, however, the education-first and job-search-first programs had effects of the same magnitude but in the opposite direction, actually increasing behavior problems. These effects seem to be linked to specific sites rather than to spe-

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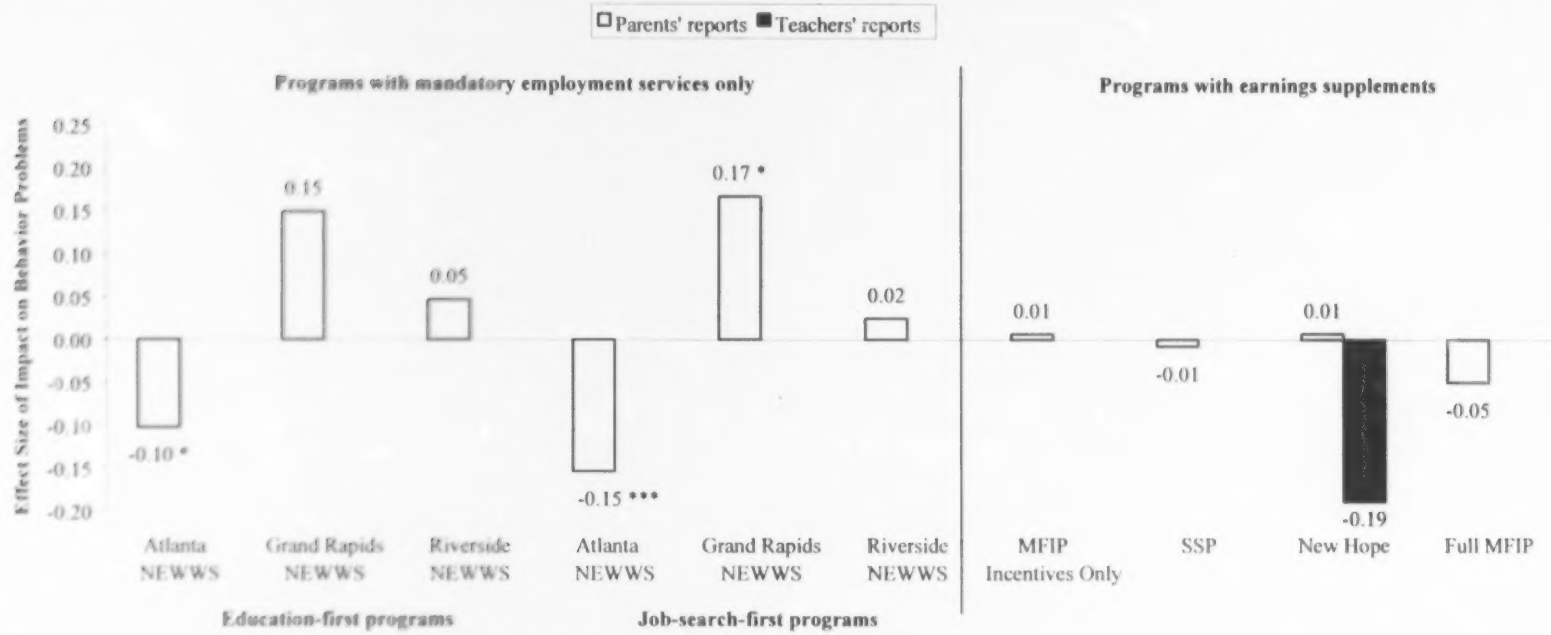
[9]Laosa, 1983.

[10]Kaestner and Corman, 1995; Rosenweig and Wolpin, 1994.

[11]Analyses conducted as part of the NEWWS Child Outcomes Study (McGroder et al., 2000) found that the reduction in behavior problems in the Atlanta education-first program was in the same direction but not statistically significant. Minor differences between the covariates included in the statistical models used there and here may account for this slight discrepancy between findings.

Figure 3.2
For Children Aged 3-5 at Random Assignment, Programs with Mandatory Employment Services Did Not Consistently Reduce or Increase Behavior Problems



NOTES: In each study, children were selected for inclusion in the sample on the basis of their age at random assignment or their age at follow-up.

The NEWWS sample includes children of single mothers in the NEWWS evaluation aged 3-5 at the beginning of the study whose parents were randomly selected to participate in the two-year follow-up survey (sample sizes for education-first programs: Atlanta = 1,026, Grand Rapids = 421, Riverside = 578; sample sizes for job-search-first programs: Atlanta = 902, Grand Rapids = 441, Riverside = 694).

The MFIP sample includes children of parents in the MFIP evaluation aged 6-8 at the time of the three-year follow-up survey (aged approximately 3-5 at the time of random assignment) whose parents were long-term recipients in urban counties and underwent random assignment between April 1, 1994, and October 31, 1994 (sample size for Full MFIP = 286; sample size for MFIP Incentives Only = 289).

The SSP sample includes children of single parents in the SSP evaluation aged 6-8 at the time of the three-year follow-up survey (aged approximately 3-5 at random assignment) who were living in the home at random assignment and at the time of the three-year follow-up survey (sample size = 1,318).

The New Hope sample includes children of the single parents in the New Hope evaluation who were aged 3-5 at random assignment and whose parents participated in the two-year follow-up survey (sample size = 265).

Statistical significance levels are indicated as: * = 10 percent, ** = 5 percent, *** = 1 percent (two-tailed test).

In NEWWS, behavior problems were measured using parents' responses to a 12-item externalizing subscale of the Behavioral Problems Index, which assesses aggressive behaviors such as bullying and cheating. Responses range from 0 ("not true") to 2 ("very true"). The responses to the 12 questions were summed to compute a single score for each child.

In MFIP, behavior problems were measured using parents' responses to a 12-item externalizing subscale of the Behavioral Problems Index that assesses aggressive behaviors such as bullying and cheating. Responses range from 0 ("not true") to 2 ("very true"). The responses to the 12 questions were summed to compute a single score for each child.

In SSP, behavior problems were measured using a four-item externalizing subscale that asked parents to assess their child's acting out and aggressive behaviors on a three-point scale ranging from 1 ("never") to 3 ("often"). The responses were averaged across the four items to compute a single score for each child.

In New Hope, behavior problems were measured using a six-item externalizing subscale of the Problem Behavior Scale from the Social Skills Rating System that asked parents and teachers about the child's aggressive behavior and how often the child needed to be disciplined for misbehavior on a five-point scale ranging from 1 ("never") to 5 ("all the time"). The responses were averaged across the six items to compute a single score for each child.

cific program approaches. Although the earnings supplement programs generated few effects on behavior problems for children in this age group (see right panel of Figure 3.2), none of the earnings supplement programs had an unfavorable impact on this outcome.

Both Riverside programs had negative effects on children's health as measured by parents' ratings, but neither positive nor negative effects were found at the other two sites (see Figure 3.3). In contrast, out of the three earnings supplement programs in which children's health was measured only SSP had positive effects on children's health.

The passage of the 1996 welfare legislation gave rise to considerable concern about how families with long-term welfare receipt would fare. In Chapter 2, we reported that the positive effects of earnings supplement programs were more pronounced for children of long-term recipients. Now we examine the effects of programs with mandatory employment services on children in this same subgroup of families.

Analyses of children in long-term recipient families suggest that the mixed pattern of these programs' effects holds in this subgroup as well (see Appendix Table 6). In fact, for the long-term recipient families the effects on children are generally stronger than in the full sample of families analyzed here. However, unlike for the full sample, the direction of effects across outcomes varies by site for the long-term recipient families. For example, the Atlanta programs were found to produce large improvements in children's achievement and reductions in children's behavior problems for long-term welfare recipients. But in the same subgroup the Grand Rapids programs increased behavior problems, and the Riverside programs led to large negative effects on children's health.

- **In sum, programs that included mandatory employment services had few effects on children, and the effects found were mixed.**[12]

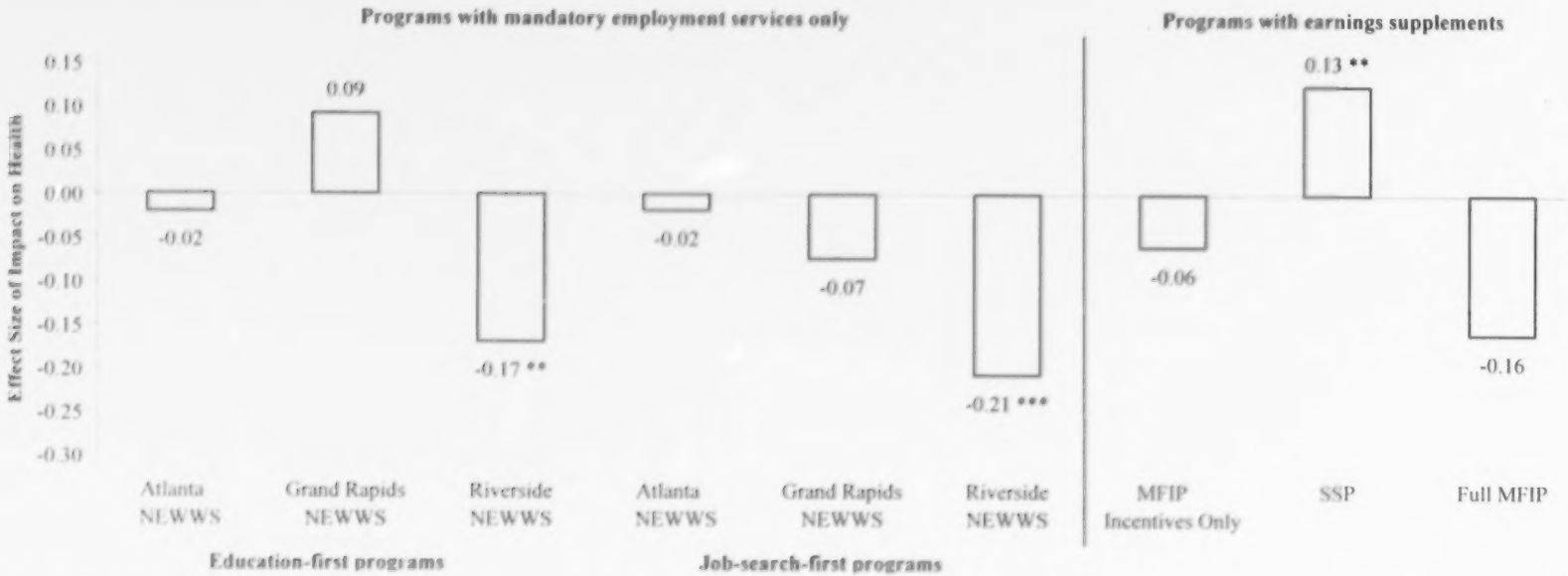
While few effects on children were found in the programs evaluated in NEWWS, those of the Atlanta programs (particularly the job-search-first program) tended to be positive, while those of the Grand Rapids and Riverside programs tended to be negative. This pattern suggests that local economic conditions, the population served, or program implementation may influence how parents and their children respond to mandatory employment programs. For example, a closer examination of the populations served by the six programs in NEWWS suggests that the population in Atlanta had much lower levels of reading and math skills than the populations in Grand Rapids and Riverside.[13] As a result, program implementers in the Atlanta job-search-first program focused more heavily on basic education than did program implementers in the other two sites' job-search-first programs. The Atlanta programs were also the most "customer oriented" of the six programs, with staff members emphasizing counseling and the benefits of the program more than the threat of sanctions.[14] The greater degree of disadvantage among the Atlanta par-

[12]Notably, this conclusion does not change if one examines the impacts on measures of the proportion of children performing above or below average on measures of child achievement, behavior, and health. There is no consistent pattern of effects across programs on the proportion of children performing at the top or bottom of the distribution in these samples (McGroder et al., 2000).

[13]Hamilton, Brock, Farrell, Friedlander, and Harknett, 1997.

[14]Hamilton et al., 1997.

Figure 3.3
For Children Aged 3-5 at Random Assignment, Two Programs with Mandatory Employment Services Had Negative Effects on Health



NOTES: In each study, children were selected for inclusion in the sample on the basis of their age at random assignment or their age at follow-up.

The NEWWS sample includes children of single mothers in the NEWWS evaluation aged 3-5 at the beginning of the study whose parents were randomly selected to participate in the two-year follow-up survey (sample sizes for education-first programs: Atlanta = 1,026, Grand Rapids = 421, Riverside = 578; sample sizes for job-search-first programs: Atlanta = 902, Grand Rapids = 441, Riverside = 694).

The MFIP sample includes children of parents in the MFIP evaluation aged 6-8 at the time of the three-year follow-up survey (aged approximately 3-5 at the time of random assignment) whose parents were long-term recipients in urban counties and underwent random assignment between April 1, 1994, and October 31, 1994 (sample size for Full MFIP = 286; sample size for MFIP Incentives Only = 289).

The SSP sample includes children of single parents in the SSP evaluation aged 6-8 at the time of the three-year follow-up survey (aged approximately 3-5 at random assignment) who were living in the home at random assignment and at the time of the three-year follow-up survey (sample size = 1,318).

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test).

In NEWWS, health was measured using a single-item measure that asked parents to rate their child's general health on a five-point scale ranging from 1 ("poor") to 5 ("excellent").

In MFIP, health was assessed using a single-item measure that asked parents to rate their child's health on a five-point scale ranging from 1 ("poor") to 5 ("very good").

In SSP, health was measured using parents' responses to four questions about their child's health on a scale ranging from 1 ("false") to 5 ("true"). The responses were averaged across the four items to compute a single score for each child.

ticipants and/or the Atlanta programs' more supportive approach may account for their having more beneficial effects than the programs in the other two sites. However, the results also indicate that program site cannot have been the only factor influencing the impacts on children (for instance, the Atlanta education-first program's impacts on children were not as positive as the Atlanta job-search-first program's impacts), but exploration of these factors — as well as the site differences — lies outside the scope of this document.

Unlike the findings for programs with earnings supplements, these site differences suggest that programs with mandatory employment services do not necessarily have unidirectional effects on children. Depending on as yet unknown factors, these programs sometimes affected children positively, negatively, or — in most cases — neutrally.

III. Effects on Child Care, Parents' Emotional Well-Being, and Parenting Behavior

As discussed earlier, programs with mandatory employment services increased employment but generally not income. How did children's daily lives change as their parents went to work?

Most of the programs with mandatory employment services increased young children's exposure to child care, some of it formal care (for instance, that provided by child care centers).[15] Two of these programs also increased parents' feelings of time pressure (recorded as "feeling rushed"), but none of the programs significantly increased parents' feeling aggravated with their children or parental depression.[16] With respect to changes in the quality of parents' interactions with their children, in two of the six programs parents reported having greater feelings of warmth toward their children than parents in control group families (although one program reduced parental warmth). The general lack of negative effects on parental emotional well-being and parenting behavior may explain why these children were not consistently affected by mandatory employment services in an adverse way.

IV. Summary and Discussion of the Effects of Programs with Mandatory Employment Services

It appears that mandatory employment services have few and mixed effects on children. The effects also appear to be specific to particular sites rather than linked to the presence of mandatory employment services per se or to the fact that the program took an education-first or a job-search-first approach. Possible sources of explanation for these site differences in effects on children are differences in the local economic conditions, populations being served, and program implementation.

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[15]The two-year findings from the NEWWS Child Outcomes Study (McGroder et al., 2000) suggest that these programs did not consistently increase employment-related child care use for these samples of families with young children at the time of the two-year survey. However, as indicated here, over the two-year period four of the programs increased children's participation in any form of child care, and two of the programs increased use of formal child care — both irrespective of parental employment status.

[16]Analyses conducted as part of the NEWWS Child Outcomes Study (McGroder et al., 2000) found that one program reduced parental depression. Minor differences between the covariates included in the statistical models used there and here may account for the slight discrepancy between findings.

Virtually all states have sanction policies that reduce families' welfare grants if parents fail to comply with requirements to participate in employment-related activities. Should the findings reported in this chapter allay fears that children are harmed by mandatory participation requirements for parents receiving welfare? In some cases, but not always.

In the programs examined here, imposing a sanction for noncompliance with the participation mandate entailed reducing the family's monthly welfare grant by the adult portion of the grant and leaving the child portion unchanged. These sanctions — known as partial family sanctions — typically reduced the welfare grant by 15 percent to 20 percent. While 33 states currently have similar partial sanctions in place as the first penalty that welfare recipients face for nonparticipation, in only 15 states are such partial sanctions the maximum sanction imposed on families. The other states impose full family sanctions, eliminating all of the family's welfare grant.

In assessing what these sanctions mean to family income, it is important to consider the grant level in the state in addition to differences in sanctions because grant levels differ substantially by state. A large sanction in a low-grant state can result in the same change in net income as a smaller sanction in a high-grant state. In South Carolina, for example, where the maximum monthly grant level for a family of three is about $200, the maximum sanction entails termination of the entire welfare grant when recipients do not meet participation requirements. In Washington — where the maximum monthly grant level for a family of three is somewhat more than $500 — in contrast, the maximum sanction entails elimination of 40 percent of the grant, or about $200. In both states, a sanctioned family loses about $200 in monthly welfare benefits. In Washington, however, the result is a grant equivalent to 60 percent of the original amount, while in South Carolina the result is no grant at all.

The studies examined in this chapter suggest that welfare policies that increase employment by providing mandatory employment services but do not affect income are unlikely to cause consistent patterns of harm or benefit to children. Nevertheless, programs that impose large sanctions on families in which parents fail to participate in required activities could lead to substantial loss of family income. It is unclear whether children would fare the same in such programs as they did in the programs examined in this chapter.

Chapter 4

Effects on Children of Programs with Time Limits

Time limits on welfare receipt have caused concern among observers who fear that many parents will not be able to find work, leaving these parents and their children without the "safety net" of welfare benefits. Others hope that the message conveyed by time limits will encourage parents to find work and reduce the negative effects on children of what they characterize as a "culture of dependency." At present the data bearing on how time limits affect parents and children are very limited. Moreover, there are no data at all on the effects of time limits alone as opposed to time limits combined with other program features. In this chapter, we rely on the only completed study that focused on the effects on children of a time-limited welfare program, a program that began prior to passage of PRWORA, the 1996 welfare reform law that placed a five-year lifetime limit on most families' receipt of federal cash welfare assistance. This was the Family Transition Program (FTP), a pilot that operated in Escambia County, Florida — under waivers of AFDC rules — from 1994 to 1998.[1]

I. Effects on Parents' Economic Outcomes

Time limits are intended to reduce families' long-term receipt of welfare and to increase employment among single parents receiving welfare; they are not intended to increase income directly. Unlike the studies of the programs with earnings supplements and mandatory employment services covered in Chapters 2 and 3, respectively, the FTP evaluation allows us to examine the effects of time limits only when this feature is combined with other program features (including a small earnings supplement) rather than when implemented alone.

- **FTP increased employment and reduced welfare receipt, but these effects did not exceed those of the programs examined in earlier chapters.**

Analyses conducted in a companion document[2] indicate that FTP and another program combining time limits with other approaches (Connecticut's Jobs First program) increased employment. However, the effects on employment were generally no larger than those of programs with earnings supplements or of programs that provided only mandatory employment services. The time-limited programs also reduced welfare receipt, typically as families started reaching the time limits.

- **FTP's time limits seem to have offset any income gains resulting from its earnings supplement.**

FTP's impacts on income were very small both before and after the first program group members to undergo random assignment began to reach the time limits. Many observers have worried that time limits may lead to large losses in family income, but the FTP findings suggest that any such income loss owing to time limits is quite modest — at least in the short term. Connecticut's Jobs First program (for which data on children are not yet available) combines a time

[1]This section is based on a reanalysis of the data from the FTP evaluation (Bloom, Kemple, et al., 2000).
[2]Bloom and Michalopoulos, 2001.

limit with a generous earnings supplement. In the Jobs First evaluation, the income gains that were observed before families began to reach the time limit disappeared thereafter, when families were no longer eligible for the earnings supplement.[3]

- **Owing to its intensive case management and services, FTP was expensive relative to programs that provided only mandatory employment services.**

Florida implemented time limits in its welfare program cautiously, providing recipients with intensive case management and services to help them find and keep jobs. These expenses were not offset by the welfare savings generated by the program (in part because so many people in the control group left welfare anyway) — making FTP, the net cost of which was nearly $8,000 per family over five years, expensive relative to programs that provided mandatory employment services only. It is likely that other time-limited welfare programs would not be so costly, unless they offered the kinds of services and supports included in FTP.

II. Effects on Children

FTP's effects on the school achievement, behavior, and health of children aged 5-12 at the end of the study period are presented in Figure 4.1.

- **FTP had few, and mixed, effects on children.**

As Figure 4.1 illustrates, FTP did not significantly improve school achievement or reduce behavior problems.[4] Although the program decreased positive behavior, it also improved health.

With regard to child care and family outcomes, FTP increased the use of child care. The program had virtually no effect on aspects of the home environment. Among single parents, the program had no effect on the proportion of parents who married or experienced domestic violence during the study period. FTP also did not affect single parents' emotional well-being or parenting behavior, except that it reduced parental supervision of elementary school-aged children.

Notably, the earnings supplement in FTP was very modest in size, much less generous than the supplements offered in SSP and MFIP.[5] Moreover, members of the FTP program staff did not strongly emphasize the availability of the earnings supplement, nor did they suggest to parents that they prolong their use of welfare while working in order to increase their income. This approach stands in sharp contrast to those of MFIP, SSP, and New Hope, which were billed as make-work-pay programs with the earnings supplement as the centerpiece. Therefore, FTP's more modest effects relative to the programs with earnings supplements and no time limits may

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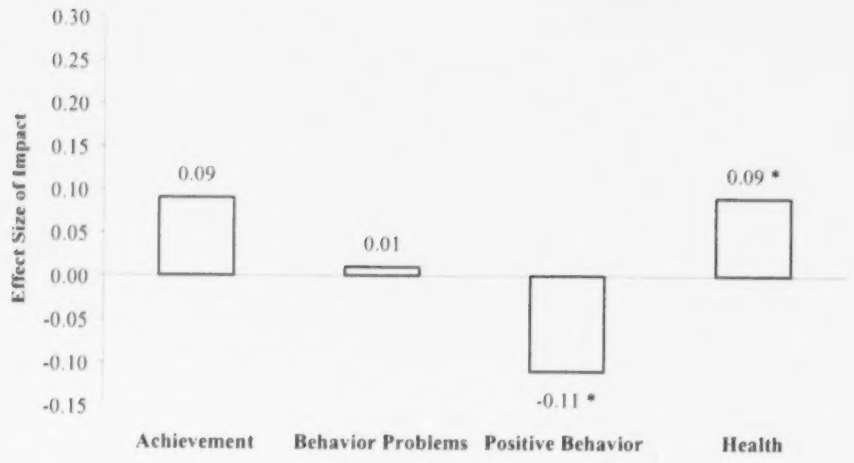
[3]Bloom, Melton, Michalopoulos, Scrivener, and Walter, 2000.

[4]Interestingly, analyses conducted separately for younger children (aged 3-5) and older children (aged 6-8) reveal differences between the age groups in the program's effects on social behavior. Whereas the impacts were negative for younger children, they were positive for older children. However, because these effects were not statistically significant (although the differences between the effects were statistically significant), the findings are only suggestive of age specificity in FTP's effects. There were no differences between the two age groups in impacts on achievement or health.

[5]FTP's supplement was less generous primarily because the state's grant level was low rather than because the proportion of income that was disregarded was low.

Figure 4.1
The Only Study of Time-Limited Welfare Found Few and Mixed Effects on Children's Outcomes



NOTES: The FTP sample includes children of single parents in the FTP evaluation aged 5-12 at the time of the four-year follow-up survey (aged approximately 1-8 at the time of random assignment) whose parents underwent random assignment between August 1994 and February 1995 and participated in the four-year follow-up survey (sample size = 1,108).

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test).

Achievement was assessed using a single-item measure that asked parents to rate their child's overall performance in school. Responses range from 1 ("not well at all") to 5 ("very well").

Behavior problems were measured using parents' responses to a 15-item externalizing subscale of the Behavioral Problems Index, a subscale designed to assess the extent to which the child engaged in acting out and aggressive behaviors. Responses range from 1 ("not true") to 3 ("often true"). The responses to the 15 questions were summed to compute a single score for each child.

Positive behavior was measured using parents' responses to a subset of seven items from the Positive Behavior Scale that assess positive aspects of children's behavior such as helpfulness and warmth. Responses range from 0 ("not at all like my child") to 10 ("completely like my child"). The responses to the seven questions were summed to capture a single score for each child.

Health was assessed using a single-item measure that asked parents to rate the child's health on a five-point scale ranging from 1 ("poor") to 5 ("very good").

have as much to do with its less generous supplement and lack of a make-work-pay message as with its time limits.

However, one might expect that an earnings supplement provided within the welfare system would have very different effects when combined with time limits, even if the supplement were more generous than the one provided in FTP. Because their goals differ, time limits and earnings supplements may work at cross-purposes. Time limits encourage people to leave welfare quickly and save their remaining months of welfare eligibility for a period of crisis. Earnings supplements (when provided within the welfare system, as in the MFIP programs), in contrast, encourage families to continue to receive welfare benefits while they are working. Although supplements reduce the proportion of families relying solely on welfare, they typically increase the proportion of families receiving welfare because they lead more families to combine welfare and work. Because the supplement comes from the welfare system, families are therefore likely to use up more months of their welfare eligibility if they are eligible to receive a supplement than if a supplement were not available to them. Owing to the tension between time limits and earnings supplements, the effects on family income of a program that combines these two program features, although hard to predict, are likely to be smaller than those of programs that provide earnings supplements without imposing time limits.

What are the effects on children of a program with a generous earnings supplement and time-limited welfare receipt? The interim results from the evaluation of Connecticut's Jobs First program (based on data collected 18 months after random assignment) suggest that any income gains produced by such a program disappear as soon as time limits are instituted.[6] Further results on the effects of this program on children's outcomes (covering the 36 months after random assignment) will be released late in 2001.

III. Summary and Discussion of the Effects of Programs with Time Limits

The limited evidence that is presently available on the effects on children of welfare time limits suggests that these effects are few. However, state welfare programs with time limits will not necessarily have similar effects on children as those of FTP because FTP included several safeguards to protect families from a loss of income owing to the time limits. First, some families (such as families in which parents were disabled or were responsible for caring for children under 6 months old) were exempted from the study at the outset; if they had not been, these families might have had a particularly difficult time being subject to time limits. Second, if a physician found a parent to be incapacitated (that is, unable to work), the months in which the parent was incapacitated and the family received welfare were not counted toward the time limit during the study period. This second ground for exemption was invoked frequently (by 21 percent of the families with enough months of welfare to exceed the time limit). Third, four-month extensions of the time limit could be granted to parents who were deemed to have complied with the program's participation requirements but could not find work (this provision was rarely invoked). Finally, families could still receive the child portion of the grant after they reached the time limit if termination of welfare benefits might result in children's removal from the home (which was

[6]Bloom, Melton, et al., 2000.

the case for nine out of the 237 families who reached the time limit). Together, these safeguards may have limited the amount of income that FTP families lost owing to the time limits. On the basis of this evaluation alone, it is therefore impossible to conclude whether a time-limited program that, unlike FTP, results in a loss of family income would have the same neutral effects on children as FTP. It is also unclear what the effects on children of programs with time limits might be in the longer term — that is, beyond the four-year period included in this study, which extended only one to two years after families in FTP began reaching the time limits.

The findings from FTP suggest one additional important lesson about program cost: Programs may need to spend additional money to improve children's well-being, but increased spending may not be sufficient to achieve this goal. Families in FTP were offered an array of services to help them find and keep jobs and reduce their use of welfare. The FTP offices were also well staffed, with very low client-staff ratios. As a result, the cost of FTP per family relative to the cost per control group family was high. The programs that included only mandatory employment services examined in Chapter 3 cost much less, and some even saved the government money if the welfare savings these programs generated are taken into account.[7] Yet both FTP and the programs that provided only mandatory employment services led to few consistent effects on children, implying that spending more money does not necessarily improve children's lives. This is not to say that more expensive welfare reforms cannot help children. Indeed, the earnings supplement programs examined in Chapter 2, which were costly because they provided additional income to families without generating the same savings in cash benefits as programs that provided only mandatory employment services, had generally beneficial or neutral effects on children. Policymakers may help children by providing income to families in which parents work. But spending that money in a way that does not result in an increase in family income, as in FTP — rather than in a way that increases family income, as in MFIP, New Hope, and SSP — does not appear to bring the same benefits to children.

[7] See Bloom and Michalopoulos, 2001.

Chapter 5

Effects of Welfare and Employment Programs on Very Young Children and Adolescents

The findings analyzed in this monograph focus on the effects of welfare and employment programs on children who were preschool-aged or early school-aged at the time of their parents' random assignment and who were generally of elementary school age at the time of the follow-up assessments. At present, only a limited amount of information is available on the effects of such programs on very young children and adolescents. One might expect the effects to differ across age groups, perhaps especially at the ends of the age continuum. For instance, very young children may be more sensitive to separations from their mothers than are their older peers, and older children are more likely than younger children to be left unsupervised and asked to take on household responsibilities when their parents go to work. While it is beyond the scope of this monograph to explore the programs' effects on very young children or adolescents, we now briefly discuss the effects on adolescents reported in the evaluations of SSP and FTP (the only studies covered here that examined data on adolescents).[1] Recall that both programs increased parental employment, but only SSP raised income more than modestly.

- **In the two studies that reported separate analyses of adolescents, some unfavorable effects on school and behavior outcomes were observed.**

The findings from the SSP evaluation[2] presented in Figure 5.1 suggest that the program had negative effects on adolescent children, although these results should be interpreted cautiously because the outcomes were assessed for only about two-thirds of the adolescents whose parents were in the study. On average, parents in the program group reported lower average achievement for adolescents than parents in the control group, and adolescent children of parents in the program group were more likely than their control group counterparts to report performing below average in school (although the impact on the adolescent-reported measure was not statistically significant).[3] With respect to children's behavior, however, SSP's unfavorable effects were much more consistent. The program increased adolescent children's behavior problems in school as reported by parents as well as smoking and weekly alcohol use as reported by adolescents. The oldest adolescent children of parents in the program group were also more likely than their control group counterparts to report engaging in minor delinquent activity (such as staying out later than their parents allowed; not shown in figure). It should be noted that this was the same program that had such positive effects on children who were of preschool or early school age at the time of their parents' random assignment (and were aged 6-11 at the time of the three-year follow-up assessment).

Figure 5.2 presents FTP's effects on adolescent children.[4] As the figure shows, adolescents with parents in the program group reported doing slightly worse in school and were more

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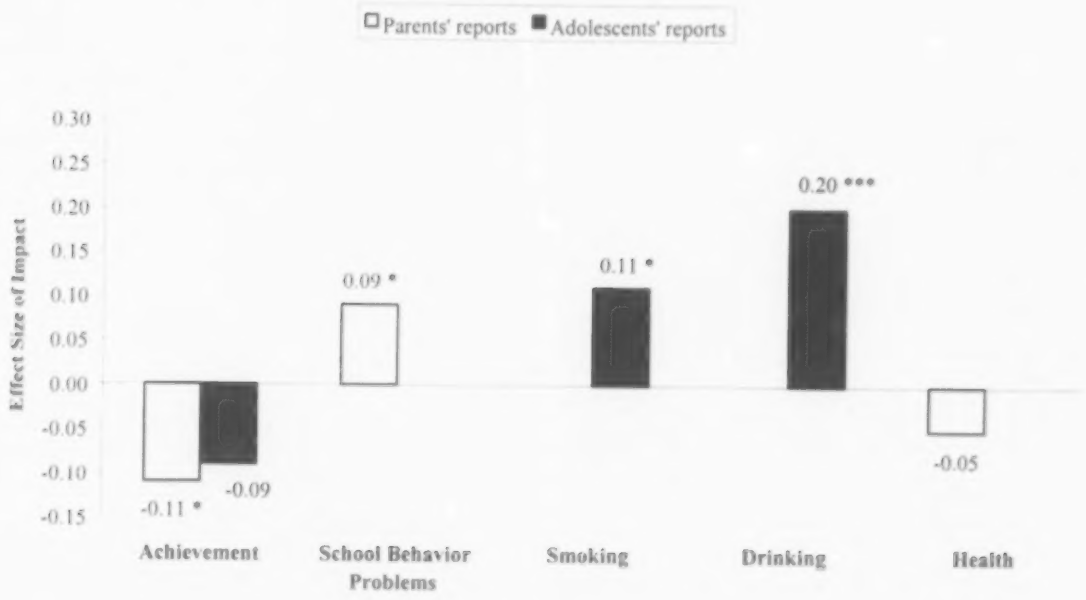
[1]Morris and Michalopoulos, 2000; Bloom, Kemple, et al., 2000.

[2]Morris and Michalopoulos, 2000.

[3]However, these findings were not corroborated by children's scores on a math skills test, on which no difference between the program and control groups was found (not shown in figure).

[4]Bloom, Kemple, et al., 2000.

Figure 5.1
SSP Increased Adolescents' Behavior Problems



NOTES: The SSP sample includes children of single parents in the SSP evaluation aged 12-18 at the time of the three-year follow-up survey (aged approximately 9-15 at random assignment) who were living in the home at the time of random assignment and at the time of the three-year follow-up survey (sample size = 1,417).

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test).

Achievement was measured using parents' and children's responses to questions about the child's functioning in three academic subjects. The responses, which were expressed on a five-point scale ranging from 1 ("not very well") to 5 ("very well"), were averaged across the three subjects to compute a single score for each child.

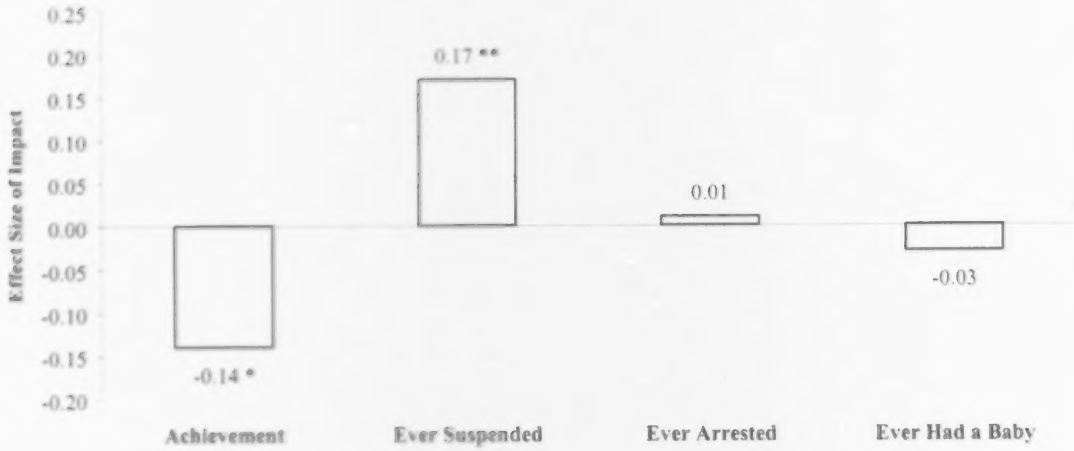
School behavior problems were assessed using parents' responses to a single-item measure that asked how often in the past school year they were contacted by the school about their child's behavior problems in school. Responses range from 1 ("never contacted or contacted once") to 3 ("contacted four times or more").

Smoking was assessed using children's responses to a single-item measure that asked whether or not they currently smoked.

Drinking was assessed using children's responses to a single-item measure about their frequency of alcohol use in the prior six months. Responses range from "never" to "every day. " If the child reported using alcohol at least weekly, the response was coded as 0; otherwise it was coded as 1.

Health was measured using parents' responses to four items about their child's health on a scale ranging from 1 ("false") to 5 ("true"). The responses were averaged across the four items to compute a single score for each child.

Figure 5.2
FTP Had Two Unfavorable Effects on Adolescents



NOTES: The FTP sample includes children of single parents in the FTP evaluation aged 13-17 at the time of the four-year follow-up survey (aged approximately 9-13 at random assignment) whose parents underwent random assignment between August 1994 and February 1995 and participated in the four-year follow-up survey (sample size = 741).

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test).

Achievement was assessed using a single-item measure that asked parents to rate their child's overall performance in school. Responses range from 1 ("not well at all") to 5 ("very well").

School suspension was assessed using a single-item measure that asked parents if their child had ever been suspended from school since random assignment.

Police involvement was assessed using a single-item measure that asked parents if their child had been arrested since random assignment for any offense other than a minor traffic violation.

Fertility was assessed using a single-item measure that asked parents if their child had fathered a baby or had a baby since random assignment.

likely to be suspended from school during the study period than their counterparts in the control group. However, no significant effects were found between the groups with respect to whether they were ever arrested or became pregnant during the study period. While FTP had fewer effects on adolescents than SSP, together the findings suggest that programs that move parents from welfare into employment may have some negative effects on adolescent children.

The two programs were very different in their policy features: Whereas SSP offered only an earnings supplement, FTP combined a small earnings supplement with time limits and mandatory employment services. Moreover, the programs' effects on economic outcomes for parents differed as well: FTP's effects on income were smaller than those of SSP. Given that it is through economic outcomes that children are most likely to be affected by features of welfare and employment programs, the fact that the two programs had negative or neutral effects on adolescents is noteworthy. Nevertheless, based on these limited data it remains unclear whether such impacts on outcomes for adolescents are likely to be found in other program approaches as well. Future work will focus on adolescent children to see if SSP's and FTP's effects are consistent with those of the other programs examined in this monograph.

Chapter 6

Conclusions and Policy Implications

The research synthesized in the previous chapters supports the following conclusions about the effects on children of the 11 welfare and employment programs examined in this monograph (see Figure 6.1 for a summary of their effects on school achievement).

- **The programs that aimed to promote parental employment through earnings supplements had positive impacts on children's well-being.**

The positive impacts of the four programs with earnings supplements examined here were largest for children in long-term recipient families and for elementary school-aged children.

Although the earnings supplement programs increased employment and income, they left many families disadvantaged. Substantial fractions of children whose families were in even the most generous programs were not progressing normally in school, lived in families that were still poor, and had parents who were depressed.

- **The programs with mandatory employment services, all of which boosted parental employment without increasing income, had few — and mixed — effects on children.**

These six programs had relatively few noteworthy effects on children. When impacts were found, they were about equally likely to be positive as negative. Whether there were impacts appeared to be more closely associated with particular program sites than with program characteristics such as participation mandates.

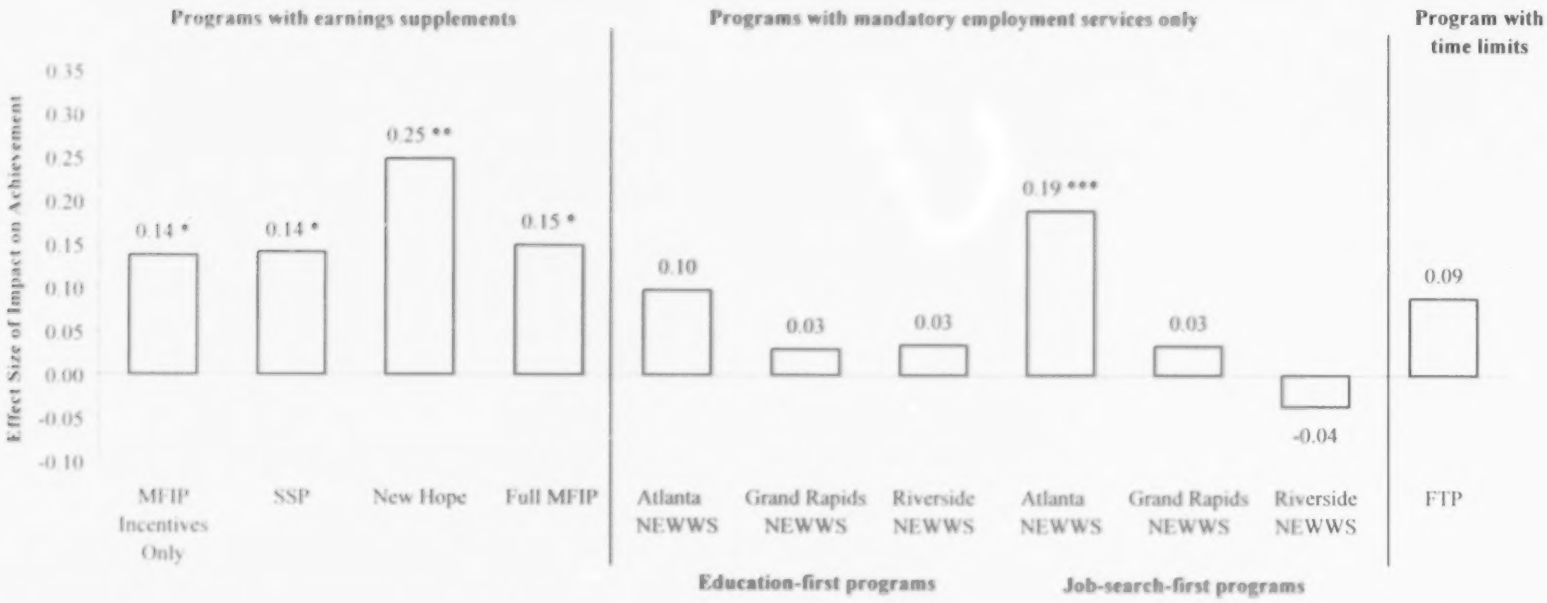
- **The one program with time limits, which led to an increase in parental employment and a modest increase in income, produced few noteworthy impacts on children, and the impacts found were mixed.**

Our knowledge base is smallest with regard to the impacts of time limits because the only program with time limits combined them with mandatory employment services and a small earnings supplement. The program's few impacts on children were mixed: Health improved, but positive social behavior decreased.

- **In the two studies that examined adolescent children, the programs appeared to be less beneficial for adolescents than for children in middle childhood.**

The five studies examined in this monograph gathered much more information about the well-being of elementary school-aged children than they did about very young children or adolescents. In the two studies that examined adolescents, however, the findings suggest that parents' transition from welfare to work may decrease adolescents' school achievement and increase their behavior problems, perhaps by lessening parents' ability to maintain communication with and monitor the behavior of their adolescent children.

Figure 6.1
Summary of All 11 Programs' Impacts on Children's School Achievement



NOTES: In each study, children were selected for inclusion in the sample on the basis of their age at random assignment or their age at follow-up.

The programs with earnings supplements are the four programs in the MFIP, SSP, and New Hope evaluations. The MFIP sample includes children of parents in the MFIP evaluation aged 5-12 at the time of the three-year follow-up survey (aged approximately 2-9 at the time of random assignment) whose parents were long-term recipients in urban counties and underwent random assignment between April 1, 1994, and October 31, 1994 (sample size for Full MFIP = 587; sample size for MFIP Incentives Only = 573). The SSP sample includes children of single parents in the SSP evaluation aged 6-11 at the time of the three-year follow-up survey (aged approximately 3-8 at random assignment) who were living in the home at the time of random assignment and at the time of the three-year follow-up survey (sample size = 2,158). The New Hope sample includes children of the single parents in the New Hope evaluation who were aged 1-10 at random assignment and whose parents participated in the two-year follow-up survey (sample size = 832).

The programs with mandatory employment services are the six programs in the NEWWS evaluation. The NEWWS sample includes children of single mothers in the NEWWS evaluation aged 3-5 at the beginning of the study whose parents were randomly selected to participate in the two-year follow-up survey (sample sizes for education-first programs: Atlanta = 1,026, Grand Rapids = 421, Riverside = 578; sample sizes for job-search-first programs: Atlanta = 902, Grand Rapids = 441, Riverside = 694).

The program with time limits is the program in the FTP evaluation. The FTP sample includes children of single parents in the FTP evaluation aged 5-12 at the time of the four-year follow-up survey (aged approximately 1-8 at the time of random assignment) whose parents underwent random assignment between August 1994 and February 1995 and participated in the four-year follow-up survey (sample size = 1,108).

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test).

In MFIP, achievement was assessed using a single-item measure that asked parents to rate their child's overall performance in school on a scale ranging from 1 ("not well at all") to 5 ("very well").

In SSP, achievement was measured using a 26- to 34-item math skills test and expressed in terms of the proportion of items answered correctly. Parents' assessments of achievement were measured using their ratings of their child's functioning in three academic subjects on a five-point scale ranging from 1 ("not very well") to 5 ("very well"). The ratings were averaged across the three academic subjects to compute a single score for each child.

In New Hope, teachers' reports of achievement were measured using the 10-item Academic Subscale from the Social Skills Rating System, which asked teachers to rate the child's skills relative to those of other children in areas such as math, reading, and oral communication on a five-point scale ranging from 1 ("bottom 10 percent") to 5 ("top 10 percent"). The responses were averaged across the 10 items to compute a single score for each child. Parents' assessments of achievement were measured using a single-item measure that asked parents to rate their child's school performance, based on past report cards or other sources, on a five-point scale ranging from 1 ("not at all well") to 5 ("very well").

In NEWWS, achievement was measured using children's standard scores on the Bracken School Readiness Composite test, which assesses knowledge of colors, letters, numbers/counting, comparisons, and shapes.

In FTP, achievement was assessed using a single-item measure that asked parents to rate their child's overall performance in school. Responses range from 1 ("not well at all") to 5 ("very well").

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I. Policy Implications

What do the five studies covered in this document suggest will be the likely impacts on children of current and future welfare and employment policies? The studies' use of random assignment designs lends weight to the conclusions drawn here about the overall impacts of these programs on children's well-being. Still, there are limits to how far the findings can be generalized in the current policy environment. The programs themselves do not represent the full range of program features being implemented by states since the replacement of AFDC by TANF, nor were they tested in the full range of macroeconomic conditions — good and bad — that states currently face or are likely to face in the next decade. Moreover, our knowledge about the effects of time-limited welfare is limited to a single study. Finally, because all the studies followed children for only two to four years, we do not yet know the effects of these programs on children's educational attainment or children's expectations regarding work and childbearing in the longer term. Bearing these caveats in mind, we now draw some policy implications suggested by these results.

- **Increases in income as well as parental employment may underlie some welfare and employment programs' beneficial effects on children's development.**

So much rhetoric and so many of the provisions for welfare reform have been focused on parental employment and welfare receipt that it is easy to lose sight of the fact that changes in parents' and families' circumstances can affect the development and well-being of children. In particular, we found that programs that provided earnings supplements had consistently positive impacts on children's achievement. Although the study designs do not enable us to identify precisely what about the programs was responsible for these effects, thanks to random assignment we can be very confident in attributing the effects to some aspect or aspects of the programs. While it remains unclear whether the increases in income alone or the combination of increases in income and employment together produced the positive effects on children, policymakers need to be aware that programs that supplement parents' earnings can have important positive effects on children. These findings suggest that earnings supplementation policies such as the EIC and child care subsidies may be important for children as well.

States often view reductions in their TANF caseloads as indicators of successful policy. The research findings synthesized here suggest that they should be equally attentive to their progress in reducing child poverty.

Earnings supplements may serve as another tool for state and federal governments to enhance school achievement among low-income children. Past research indicates that some early-education programs promote the school achievement of preschool-aged children. Our results suggest that certain kinds of welfare and employment programs can have similar effects, particularly on children of long-term welfare recipients.

- **Raising employment without increasing income may not be sufficient to boost the healthy development of children in low-income families.**

The findings presented in this monograph run counter to the prediction that increases in employment alone would — by enhancing parents' self-esteem, making family life more structured, and giving children positive role models — promote children's well-being, at least in the short term. Although positive impacts on children's achievement and behavior were found, these effects were chiefly limited to the programs with earnings supplements; the effects on children of programs that included only mandatory employment services were few and mixed. The single study of a program with time limits also revealed few effects on children and no consistent pattern of benefit or harm. Again, the programs in the five studies covered here do not reflect the full range of current state TANF programs. Programs that impose stronger family sanctions for noncompliance with participation mandates and/or fewer safeguards for families who reach the time limit may have more harmful effects on children. Furthermore, a different pattern of effects may be observed for some subgroups of families and children than for the samples examined here.

- **Working parents may need help in their efforts to provide emotional support and supervision to their children well into their children's adolescent years.**

A given program may have quite different impacts on children of different ages, and adolescents in particular may be at risk when their parents are in programs that boost employment. After-school programs and youth development programs are potential avenues for promoting adolescents' positive development, as are efforts to strengthen neighborhoods and communities.[1]

- **Increases in government spending may be necessary for improving children's outcomes but are not sufficient.**

A comparison of findings for the 11 programs examined in this monograph reveals a critical tradeoff: Mandatory services by themselves have few effects on children and can save the government money; earnings supplements can benefit children, but they are more costly. Programs that increase family income and improve children's well-being may require increased spending. However, as the results from the study of the single time-limited welfare program indicated, spending is not sufficient to improve outcomes for children: Despite being expensive, this program had only modest effects on family income and had few and mixed effects on children. In other words, increased funding can be deployed in ways that are more or less helpful to children's development, and increasing family income along with employment appears to be an important component of that package.

* * *

II. Further Research from the Next Generation Project

In this document, we examined how welfare and employment policies targeted at low-income families can affect children. Analyses are currently under way to advance our understanding of some of the pathways through which these effects occurred. The analyses examine such intervening mechanisms as family income, amount and type of parental employment, and use and type of child care. Specifically, the dynamics of income change, including income growth and

[1]Larner, Zippiroli, and Behrman, 1999.

loss, are being tested as possible influences on children; parental transitions into and out of employment, job stability and tenure, hours worked, hourly wages, and wage growth are being analyzed in relation to children's well-being; and the effects of welfare and employment policies on child care use and the relation between the amount and type of child care used and children's development at different ages are being explored.

This research synthesis represents a first step in the Next Generation project. The findings from the project's ongoing work will be summarized and posted on the Next Generation Web site and will be released in future reports.

Please check http://www.mdrc.org/NextGeneration for the latest information.

Appendix

Outcome Levels and Impacts Underlying the Effect Sizes Presented in This Monograph

Listed below are descriptions of the measures of children's outcomes that are presented in Appendix Tables 1-8. Each table presents the average outcomes in the program and control groups separately.

1. Measures Examined in the Earnings Supplement Programs (Tables 1-4)

Achievement

In MFIP, achievement was assessed using a single-item measure that asked parents to rate their child's overall performance in school on a scale ranging from 1 ("not well at all") to 5 ("very well").

In SSP, achievement was measured using a 26- to 34-item math skills test and expressed in terms of the proportion of items answered correctly. Parents' assessments of achievement were measured using their ratings of their child's functioning in three academic subjects on a five-point scale ranging from 1 ("not very well") to 5 ("very well"). The ratings were averaged across the three academic subjects to compute a single score for each child.

In New Hope, teachers' reports of achievement were measured using the 10-item Academic Subscale from the Social Skills Rating System, which asked teachers to rate the child's skills relative to those of other children in areas such as math, reading, and oral communication on a five-point scale ranging from 1 ("bottom 10 percent") to 5 ("top 10 percent"). The responses were averaged across the 10 items to compute a single score for each child. Parents' assessments of achievement were measured using a single-item measure that asked parents to rate their child's school performance, based on past report cards or other sources, on a five-point scale ranging from 1 ("not at all well") to 5 ("very well").

Behavior problems

In MFIP, behavior problems were measured using parents' responses to a 12-item externalizing subscale of the Behavioral Problems Index that assesses aggressive behaviors such as bullying and cheating. Responses range from 0 ("not true") to 2 ("very true"). The responses to the 12 questions were summed to compute a single score for each child.

In SSP, behavior problems were measured using a four-item externalizing subscale that asked parents to assess their child's acting out and aggressive behaviors on a three-point scale ranging from 1 ("never") to 3 ("often"). The responses were averaged across the four items to compute a single score for each child.

In New Hope, behavior problems were measured using a six-item externalizing subscale of the Problem Behavior Scale from the Social Skills Rating System that asked parents and teachers about the child's aggressive behavior and how often the child needed to be disciplined for misbehavior on a five-point scale ranging from 1 ("never") to 5 ("all the

time"). The responses were averaged across the six items to compute a single score for each child.

Positive behavior

In MFIP, positive behavior was measured with the 25-item Positive Behavior Scale, which included three subscales: compliance, social competence, and autonomy. Parents responded to each item on an 11-point scale ranging from 0 ("not at all like my child") to 10 ("completely like my child"). The responses to the 25 questions were summed to compute a single score for each child.

In SSP, positive behavior was measured using the five-item Positive Social Behavior subscale, which asked parents to assess their child's prosocial interactions with peers on a scale ranging from 1 ("never") to 3 ("often"). The responses were averaged across the five items to compute a single score for each child.

In New Hope, the child's positive behavior was measured using the 25-item Positive Behavior Scale, which included three subscales: compliance, social competence, and autonomy. Parents and teachers responded to each item on a five-point scale ranging from 1 ("never") to 5 ("all of the time"). The responses were averaged across the 25 items to compute a single score for each child.

Health

In MFIP, health was assessed using a single-item measure that asked parents to rate their child's health on a five-point scale ranging from 1 ("poor") to 5 ("very good").

In SSP, health was measured using parents' responses to four questions about their child's health on a scale ranging from 1 ("false") to 5 ("true"). The responses were averaged across the four items to compute a single score for each child.

2. Measures Examined in the Programs with Mandatory Employment Services (Tables 5 and 6)

Achievement was measured using children's standard scores on the Bracken School Readiness Composite test, which assesses knowledge of colors, letters, numbers/counting, comparisons, and shapes.

Behavior problems were measured using parents' responses to a 12-item externalizing subscale of the Behavioral Problems Index, which assesses aggressive behaviors such as bullying and cheating. Responses range from 0 ("not true") to 2 ("very true"). The responses to the 12 questions were summed to compute a single score for each child.

Positive behavior was measured using parents' responses to a 7-item scale assessing the extent to which children get along with peers. Responses range from 0 ("not true") to 2 ("very true"). The responses to the 7 items were summed to compute a single score for each child.

Health was measured using a single-item measure that asked parents to rate their child's general health on a five-point scale ranging from 1 ("poor") to 5 ("excellent").

3. Measures Examined in the Time-Limited Welfare Program (Table 7)

Achievement was assessed using a single-item measure that asked parents to rate their child's overall performance in school. Responses range from 1 ("not well at all") to 5 ("very well").

Behavior problems were measured using parents' responses to a 15-item externalizing subscale of the Behavioral Problems Index, a subscale designed to assess the extent to which the child engaged in acting out and aggressive behaviors. Responses range from 1 ("not true") to 3 ("often true"). The responses to the 15 questions were summed to compute a single score for each child.

Positive behavior was measured using parents' responses to a subset of seven items from the Positive Behavior Scale that assess positive aspects of children's behavior such as helpfulness and warmth. Responses range from 0 ("not at all like my child") to 10 ("completely like my child"). The responses to the seven questions were summed to capture a single score for each child.

Health was assessed using a single-item measure that asked parents to rate the child's health on a five-point scale ranging from 1 ("poor") to 5 ("very good").

4. Measures Examined in the Two Programs That Assessed Adolescents (Table 8)

SSP

Achievement was measured using parents' and children's responses to questions about the child's functioning in three academic subjects. The responses, which were expressed on a five-point scale ranging from 1 ("not very well") to 5 ("very well"), were averaged across the three subjects to compute a single score for each child.

School behavior problems were assessed using parents' responses to a single-item measure that asked how often in the past school year they were contacted by the school about their child's behavior problems in school. Responses range from 1 ("never contacted or contacted once") to 3 ("contacted four times or more").

Smoking was assessed using children's responses to a single-item measure that asked whether or not they currently smoked.

Drinking was assessed using children's responses to a single-item measure about their frequency of alcohol use in the prior six months. Responses range from "never" to "every day." If the child reported using alcohol at least weekly, the response was coded as 1; otherwise it was coded as 0.

Health was measured using parents' responses to four items about their child's health on a scale ranging from 1 ("false") to 5 ("true"). The responses were averaged across the four items to compute a single score for each child.

FTP

Achievement was assessed using a single-item measure that asked parents to rate their child's overall performance in school. Responses range from 1 ("not well at all") to 5 ("very well").

School suspension was assessed using a single-item measure that asked parents if their child had ever been suspended from school since random assignment.

Police involvement was assessed using a single-item measure that asked parents if their child had been arrested since random assignment for any offense other than a minor traffic violation.

Fertility was assessed using a single-item measure that asked parents if their child had fathered a baby or had a baby since random assignment.

Table 1

Earnings Supplement Programs

Impacts for Children Who Were Preschool-Aged or Early Elementary School-Aged at Random Assignment

Outcome	Program Group Average	Control Group Average	Impact	Effect Size of Impact
Achievement				
MFIP Incentives Only				
Parent report	4.11	3.96	0.16 *	0.14
SSP				
Parent report	3.71	3.61	0.10 **	0.11
Math skills test	0.56	0.52	0.04 **	0.14
New Hope				
Parent report	3.99	3.90	0.09	0.08
Teacher report	3.33	3.09	0.24 **	0.25
Full MFIP				
Parent report	4.13	3.96	0.17 *	0.15
Externalizing behavior problems				
MFIP Incentives Only				
Parent report	5.21	6.02	-0.81 *	-0.15
SSP				
Parent report	1.25	1.25	0.00	-0.01
New Hope				
Parent report	2.57	2.58	-0.01	-0.01
Teacher report	2.12	2.20	-0.08	-0.09
Full MFIP				
Parent report	5.12	6.02	-0.91 **	-0.17
Positive behavior				
MFIP Incentives Only				
Parent report	200.63	193.70	6.93 **	0.18
SSP				
Parent report	2.58	2.59	-0.01	-0.02
New Hope				
Parent report	3.95	3.96	0.00	-0.01
Teacher report	3.65	3.51	0.15 **	0.21
Full MFIP				
Parent report	194.20	193.70	0.50	0.01
Health				
MFIP Incentives Only				
Parent report	4.27	4.21	0.06	0.06
SSP				
Parent report	4.11	4.02	0.09 **	0.11
Full MFIP				
Parent report	4.11	4.21	-0.09	-0.09

(continued)

Table 1 (continued)

NOTES: In each study, children were selected for inclusion in the sample on the basis of their age at random assignment or their age at follow-up.

The MFIP sample includes children of parents in the MFIP evaluation aged 5-12 at the time of the three-year follow-up survey (aged approximately 2-9 at the time of random assignment) whose parents were long-term recipients in urban counties and underwent random assignment between April 1, 1994, and October 31, 1994 (sample size for Full MFIP = 587; sample size for MFIP Incentives Only = 573).

The SSP sample includes children of single parents in the SSP evaluation aged 6-11 at the time of the three-year follow-up survey (aged approximately 3-8 at random assignment) who were living in the home at the time of random assignment and at the time of the three-year follow-up survey (sample size = 2,158).

The New Hope sample includes children of the single parents in the New Hope evaluation who were aged 1-10 at random assignment and whose parents participated in the two-year follow-up survey (sample size = 832).

Because of rounding, the impacts shown may not exactly equal the differences between the program and control group averages.

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test).

Table 2

Earnings Supplement Programs

Impacts for Children of Long-Term Recipients Who Were Preschool-Aged or Early Elementary School-Aged at Random Assignment

Outcome	Program Group Average	Control Group Average	Impact	Effect Size of Impact
Achievement				
MFIP Incentives Only				
Parent report	4.11	3.96	0.16 *	0.14
SSP				
Parent report	3.71	3.61	0.11 **	0.11
Math skills test	0.55	0.53	0.02	0.09
New Hope				
Parent report	3.99	3.77	0.22 *	0.20
Teacher report	3.37	2.99	0.38 ***	0.39
Full MFIP				
Parent report	4.13	3.96	0.17 *	0.15
Externalizing behavior problems				
MFIP Incentives Only				
Parent report	5.21	6.02	-0.81 *	-0.15
SSP				
Parent report	1.25	1.25	0.00	0.01
New Hope				
Parent report	2.62	2.61	0.01	0.01
Teacher report	2.10	2.18	-0.08	-0.10
Full MFIP				
Parent report	5.12	6.02	-0.91 **	-0.17
Positive behavior				
MFIP Incentives Only				
Parent report	200.63	193.70	6.93 **	0.18
SSP				
Parent report	2.59	2.59	-0.01	-0.02
New Hope				
Parent report	3.95	3.92	0.04	0.08
Teacher report	3.66	3.50	0.16 *	0.23
Full MFIP				
Parent report	194.20	193.70	0.50	0.01
Health				
MFIP Incentives Only				
Parent report	4.27	4.21	0.06	0.06
SSP				
Parent report	4.12	4.00	0.12 ***	0.14
Full MFIP				
Parent report	4.11	4.21	-0.09	-0.09

(continued)

Table 2 (continued)

NOTES: In each study, children were selected for inclusion in the sample on the basis of their age at random assignment or their age at follow-up.

The MFIP sample includes children of parents in the MFIP evaluation aged 5-12 at the time of the three-year follow-up survey (aged approximately 2-9 at the time of random assignment) whose parents were long-term recipients in urban counties and underwent random assignment between April 1, 1994, and October 31, 1994 (sample size for Full MFIP = 587; sample size for MFIP Incentives Only = 573).

The SSP sample includes children of parents in the SSP evaluation aged 6-11 at the time of the three-year follow-up survey (aged approximately 3-8 at random assignment) who were living in the home at the time of random assignment and at the time of the three-year follow-up survey and whose parents had at least two years of welfare receipt prior to random assignment (sample size = 2,015).

The New Hope sample includes children of the single parents in the New Hope evaluation who were aged 1-10 at random assignment and whose parents had at least two years of welfare receipt prior to random assignment and participated in the two-year follow-up survey (sample size = 508).

Because of rounding, the impacts shown may not exactly equal the differences between the program and control group averages.

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test).

Table 3

Earnings Supplement Programs

Impacts for Children Who Were Preschool-Aged or Early Elementary School-Aged at Random Assignment, by Children's Age

Outcome	Program Group Average	Control Group Average	Impact	Effect Size of Impact	Difference Between Subgroup Impacts
		Children aged 3-5			
Achievement					
MFIP Incentives Only					
Parent report	4.13	4.05	0.08	0.07	
SSP					
Parent report	3.74	3.60	0.14 **	0.15	
Math skills test	0.52	0.46	0.06 **	0.22	
New Hope					
Parent report	4.16	4.15	0.01	0.01	
Teacher report	3.49	3.18	0.31 **	0.31	
Full MFIP					
Parent report	4.21	4.05	0.16	0.15	
Externalizing behavior problems					
MFIP Incentives Only					
Parent report	5.22	5.19	0.04	0.01	
SSP					
Parent report	1.24	1.24	0.00	-0.01	
New Hope					
Parent report	2.55	2.54	0.00	0.01	
Teacher report	1.98	2.15	-0.17	-0.19	
Full MFIP					
Parent report	4.95	5.19	-0.23	-0.05	
Positive behavior					
MFIP Incentives Only					
Parent report	203.42	198.06	5.36	0.14	
SSP					
Parent report	2.57	2.60	-0.02	-0.05	
New Hope					
Parent report	3.93	3.95	-0.02	-0.04	
Teacher report	3.75	3.61	0.14	0.20	
Full MFIP					
Parent report	193.01	198.06	-5.05	-0.13	
Health					
MFIP Incentives Only					
Parent report	4.16	4.23	-0.07	-0.06	
SSP					
Parent report	4.10	4.01	0.10 **	0.13	
Full MFIP					
Parent report	4.06	4.23	-0.17	-0.16	

(continued)

Table 3 (continued)

Outcome	Program Group Average	Control Group Average	Impact	Effect Size of Impact	Difference Between Subgroup Impacts
		Children aged 6-9			
Achievement					
MFIP Incentives Only					
Parent report	3.80	3.52	0.28	0.23	
SSP					
Parent report	3.68	3.63	0.05	0.05	
Math skills test	0.59	0.57	0.02	0.09	
New Hope					
Parent report	3.90	3.68	0.22	0.20	
Teacher report	3.17	3.03	0.14	0.14	
Full MFIP					
Parent report	3.88	3.52	0.36 **	0.30	
Externalizing behavior problems					
MFIP Incentives Only					
Parent report	5.18	7.50	-2.32 ***	-0.38	
SSP					
Parent report	1.25	1.25	0.00	-0.01	
New Hope					
Parent report	2.42	2.41	0.01	0.02	
Teacher report	2.20	2.22	-0.01	-0.02	
Full MFIP					
Parent report	5.54	7.50	-1.96 **	-0.32	
Positive behavior					
MFIP Incentives Only					
Parent report	194.80	186.03	8.77	0.20	
SSP					
Parent report	2.60	2.58	0.01	0.03	
New Hope					
Parent report	3.98	3.94	0.04	0.09	
Teacher report	3.58	3.47	0.11	0.16	
Full MFIP					
Parent report	195.17	186.03	9.14	0.21	
Health					
MFIP Incentives Only					
Parent report	4.34	4.11	0.23	0.21	
SSP					
Parent report	4.11	4.03	0.07	0.09	
Full MFIP					
Parent report	3.98	4.11	-0.14	-0.13	

(continued)

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Table 3 (continued)

NOTES: In each study, children were selected for inclusion in the sample on the basis of their age at random assignment or their age at follow-up.

The MFIP sample includes children (of parents in the MFIP evaluation) aged 6-12 at the time of the three year follow-up survey (aged approximately 3-9 at the time of random assignment) whose parents were long-term recipients in urban counties and underwent random assignment between April 1, 1994, and October 31, 1994 (sample size for estimates of Full MFIP = 488; sample size for MFIP Incentives Only = 472).

The SSP sample includes children (of parents in the SSP evaluation) aged 6-11 at the time of the three-year survey (aged approximately 3-8 at random assignment) who were living in the home at the time of random assignment and at the time of the three-year follow-up survey (sample size = 2,158).

The New Hope sample includes children of the single parents in the New Hope evaluation who were aged 3-9 at random assignment and whose parents participated in the two-year follow-up survey (sample size = 546).

Because of rounding, the impacts shown may not exactly equal the differences between the program and control group averages.

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test).

A statistical test was performed to determine whether the differences between subgroup impacts were statistically significant. The resulting statistical significance levels are indicated in the "Difference Between Subgroup Impacts" column as: * = 10 percent; ** = 5 percent; *** = 1 percent.

Table 4

Earnings Supplement Programs

Impacts for Children Who Were Preschool-Aged or Early Elementary School-Aged at Random Assignment, by Children's Gender

Outcome	Program Group Average	Control Group Average	Impact	Effect Size of Impact	Difference Between Subgroup Impacts
		Boys			
Achievement					
MFIP Incentives Only					
Parent report	3.83	3.77	0.06	0.05	***
SSP					
Parent report	3.55	3.50	0.05	0.05	
Math skills test	0.57	0.53	0.04 *	0.13	
New Hope					
Parent report	3.84	3.72	0.13	0.12	
Teacher report	3.27	2.92	0.35 **	0.36	
Full MFIP					
Parent report	4.05	3.77	0.28 **	0.24	
Externalizing behavior problems					
MFIP Incentives Only					
Parent report	6.36	6.33	0.02	0.00	***
SSP					
Parent report	1.31	1.30	0.01	0.03	
New Hope					
Parent report	2.50	2.63	-0.13	-0.18	
Teacher report	2.09	2.52	-0.43 ***	-0.49	***
Full MFIP					
Parent report	5.78	6.33	-0.56	-0.10	
Positive behavior					
MFIP Incentives Only					
Parent report	193.83	194.59	-0.76	-0.02	*
SSP					
Parent report	2.52	2.52	-0.01	-0.02	
New Hope					
Parent report	3.98	3.89	0.09	0.18	*
Teacher report	3.61	3.29	0.31 ***	0.46	**
Full MFIP					
Parent report	191.35	194.59	-3.24	-0.09	
Health					
MFIP Incentives Only					
Parent report	4.29	4.23	0.05	0.05	
SSP					
Parent report	4.05	4.01	0.04	0.05	
Full MFIP					
Parent report	4.12	4.23	-0.11	-0.10	

(continued)

Table 4 (continued)

Outcome	Program Group Average	Control Group Average	Impact	Effect Size of Impact	Difference Between Subgroup Impacts
		Girls			
Achievement					
MFIP Incentives Only					
Parent report	4.42	4.15	0.27 **	0.24	***
SSP					
Parent report	3.88	3.72	0.16 ***	0.17	
Teacher report	0.56	0.52	0.04 *	0.15	
New Hope					
Parent report	4.14	4.11	0.02	0.02	
Teacher report	3.39	3.27	0.12	0.12	
Full MFIP					
Parent report	4.20	4.15	0.05	0.04	
Externalizing behavior problems					
MFIP Incentives Only					
Parent report	4.09	5.56	-1.47 **	-0.30	***
SSP					
Parent report	1.17	1.19	-0.02	-0.07	
New Hope					
Parent report	2.62	2.54	0.08	0.11	
Teacher report	2.15	1.89	0.26 **	0.30	***
Full MFIP					
Parent report	4.49	5.56	-1.07 *	-0.22	
Positive behavior					
MFIP Incentives Only					
Parent report	207.33	191.57	15.76 ***	0.38	*
SSP					
Parent report	2.66	2.65	0.00	0.00	
New Hope					
Parent report	3.94	4.01	-0.07	-0.15	*
Teacher report	3.71	3.72	0.00	-0.01	**
Full MFIP					
Parent report	198.59	191.57	7.02	0.17	
Health					
MFIP Incentives Only					
Parent report	4.26	4.16	0.09	0.09	
SSP					
Parent report	4.16	4.02	0.14 ***	0.17	
Full MFIP					
Parent report	4.11	4.16	-0.06	-0.05	

(continued)

Table 4 (continued)

NOTES: In each study, children were selected for inclusion in the sample on the basis of their age at random assignment or their age at follow-up.

The MFIP sample includes children (of parents in the MFIP evaluation) aged 5-12 at the time of the three-year follow-up survey (aged approximately 2-9 at the time of random assignment) whose parents were long-term recipients in urban counties and underwent random assignment between April 1, 1994, and October 31, 1994 (sample size for estimates of Full MFIP = 587; sample size for MFIP Incentives Only = 573).

The SSP sample includes children (of parents in the SSP evaluation) aged 6-11 at the time of the three-year survey (aged approximately 3-8 at random assignment) who were living in the home at the time of random assignment and at the time of the three-year follow-up survey (sample size = 2,158).

The New Hope sample includes children of the single parents in the New Hope evaluation who were aged 1-10 at random assignment and whose parents participated in the two-year follow-up survey (sample size = 832).

Because of rounding, the impacts shown may not exactly equal the differences between the program and control group averages.

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test).

A statistical test was performed to determine whether the differences between subgroup impacts were statistically significant. The resulting statistical significance levels are indicated in the "Difference Between Subgroup Impacts" column as: * = 10 percent; ** = 5 percent; *** = 1 percent.

Table 5

Programs with Mandatory Employment Services

Impacts for Children Who Were Preschool-Aged at Random Assignment

Outcome	Program Group Average	Control Group Average	Impact	Effect Size of Impact
Achievement				
Education-first programs				
Altanta	7.66	7.36	0.30	0.10
Grand Rapids	7.48	7.40	0.08	0.03
Riverside	7.23	7.10	0.13	0.03
Job-search-first programs				
Altanta	7.92	7.35	0.58 ***	0.19
Grand Rapids	7.40	7.30	0.09	0.03
Riverside	7.36	7.52	-0.15	-0.04
Externalizing behavior problems				
Education-first programs				
Altanta	0.42	0.46	-0.04 *	-0.10
Grand Rapids	0.50	0.44	0.05	0.15
Riverside	0.43	0.41	0.02	0.05
Job-search-first programs				
Altanta	0.40	0.47	-0.06 ***	-0.15
Grand Rapids	0.50	0.44	0.06 *	0.17
Riverside	0.41	0.40	0.01	0.02
Positive behavior				
Education-first programs				
Altanta	1.50	1.50	0.00	0.01
Grand Rapids	1.62	1.60	0.02	0.05
Riverside	1.56	1.59	-0.02	-0.05
Job-search-first programs				
Altanta	1.51	1.50	0.01	0.03
Grand Rapids	1.61	1.60	0.01	0.04
Riverside	1.63	1.62	0.02	0.03
Health				
Education-first programs				
Altanta	4.25	4.27	-0.02	-0.02
Grand Rapids	4.35	4.26	0.09	0.09
Riverside	3.96	4.16	-0.20 **	-0.17
Job-search-first programs				
Altanta	4.25	4.27	-0.02	-0.02
Grand Rapids	4.19	4.26	-0.07	-0.07
Riverside	3.97	4.23	-0.26 ***	-0.21

(continued)

Table 5 (continued)

NOTES: The NEWWS sample includes children of single mothers in the NEWWS evaluation aged 3-5 at the beginning of the study whose parents were randomly selected to participate in the two-year follow-up survey (sample sizes for education-first programs: Atlanta = 1,026, Grand Rapids = 421, Riverside = 578; sample sizes for job-search-first programs: Atlanta = 902, Grand Rapids = 441, Riverside = 694).

Because of rounding, the impacts shown may not exactly equal the differences between the program and control group averages.

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test).

Table 6

Programs with Mandatory Employment Services

Impacts for Children of Long-Term Recipients Who Were Preschool-Aged at Random Assignment

Outcome	Program Group Average	Control Group Average	Impact	Effect Size of Impact
Achievement				
Education-first programs				
Altanta	7.41	6.86	0.55 ***	0.20
Grand Rapids	7.06	7.19	-0.14	-0.05
Riverside	7.28	7.23	0.05	0.01
Job-search-first programs				
Altanta	7.82	6.86	0.96 ***	0.34
Grand Rapids	7.08	7.14	-0.06	-0.02
Riverside	6.97	7.60	-0.63 **	-0.15
Externalizing behavior problems				
Education-first programs				
Altanta	0.43	0.50	-0.07 **	-0.16
Grand Rapids	0.50	0.45	0.05	0.14
Riverside	0.45	0.40	0.06	0.14
Job-search-first programs				
Altanta	0.41	0.50	-0.10 ***	-0.23
Grand Rapids	0.50	0.44	0.05	0.15
Riverside	0.45	0.38	0.07 **	0.18
Positive behavior				
Education-first programs				
Altanta	1.48	1.45	0.02	0.05
Grand Rapids	1.57	1.60	-0.03	-0.09
Riverside	1.58	1.59	-0.02	-0.04
Job-search-first programs				
Altanta	1.47	1.45	0.02	0.04
Grand Rapids	1.62	1.60	0.03	0.07
Riverside	1.58	1.61	-0.03	-0.06
Health				
Education-first programs				
Altanta	4.21	4.21	0.00	0.00
Grand Rapids	4.30	4.20	0.10	0.10
Riverside	3.91	4.20	-0.29 ***	-0.26
Job-search-first programs				
Altanta	4.26	4.21	0.05	0.05
Grand Rapids	4.18	4.23	-0.05	-0.05
Riverside	3.89	4.24	-0.35 ***	-0.30

(continued)

Table 6 (continued)

NOTES: The NEWWS sample includes children of single mothers in the NEWWS evaluation aged 3-5 at the beginning of the study whose parents had at least two years of welfare receipt prior to random assignment and were randomly selected to participate in the two-year follow-up survey (sample sizes for education-first programs: Atlanta = 757, Grand Rapids = 296, Riverside = 425; sample sizes for job search-first programs: Atlanta = 669, Grand Rapids = 327, Riverside = 459).

Because of rounding, the impacts shown may not exactly equal the differences between the program and control group averages.

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test).

Table 7

Time-Limited Program (FTP)

Impacts for Children Who Were Preschool-Aged or Elementary School-Aged at Random Assignment

Outcome	Program Group Average	Control Group Average	Impact	Effect Size of Impact
Achievement	4.09	3.98	0.10	0.09
Externalizing behavior problems	4.33	4.28	0.06	0.01
Positive behavior	59.04	60.22	-1.17 *	-0.11
Health	4.23	4.14	0.09 *	0.09

NOTES: The FTP sample includes children of single parents in the FTP evaluation aged 5-12 at the time of the four-year follow-up survey (aged approximately 1-8 at the time of random assignment) whose parents underwent random assignment between August 1994 and February 1995 and participated in the four-year follow-up survey (sample size = 1,108).

Because of rounding, the impacts shown may not exactly equal the differences between the program and control group averages.

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test).

How Welfare and Work Policies Affect Children

Table 8

Two Different Programs (SSP and FTP)

Impacts for Adolescent Children

Outcome	Program Group Average	Control Group Average	Impact	Effect Size of Impact
	SSP			
Achievement				
Parent report	3.43	3.54	-0.11 *	-0.11
Adolescent report	3.50	3.57	-0.07	-0.09
School behavior	1.40	1.34	0.06 *	0.09
Smoking	26.52	22.13	4.39 *	0.11
Drinking	8.91	4.65	4.27 ***	0.20
Health	4.10	4.13	-0.04	-0.05
	FTP			
Achievement	3.70	3.90	-0.20 *	-0.14
Ever suspended	40.70	32.70	8.00 **	0.17
Ever arrested	9.60	9.20	0.40	0.01
Ever had a baby	2.80	3.30	-0.50	-0.03

NOTES: The SSP sample includes children of single parents in the SSP evaluation aged 12-18 at the time of the three-year follow-up survey (aged approximately 9-15 at random assignment) who were living in the home at the time of random assignment and at the time of the three-year follow-up survey (sample size = 1,417).

The FTP sample includes children of single parents in the FTP evaluation aged 13-17 at the time of the four-year follow-up survey (aged approximately 9-13 at random assignment) whose parents underwent random assignment between August 1994 and February 1995 and participated in the four-year follow-up survey (sample size = 741).

Because of rounding, the impacts shown may not exactly equal the differences between the program and control group averages.

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent (two-tailed test).

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Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce. 2000. Julie Strawn, Karin Martinson.

Project on Devolution and Urban Change

A multi-year study in four major urban counties — Cuyahoga County, Ohio (which includes the city of Cleveland), Los Angeles, Miami-Dade, and Philadelphia — that examines how welfare reforms are being implemented and affect poor people, their neighborhoods, and the institutions that serve them.

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Assessing the Impact of Welfare Reform on Urban Communities: The Urban Change Project and Methodological Considerations. Forthcoming. Charles Michalopoulos, Johannes Bos, Robert Lalonde, Nandita Verma.

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Time Limits

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The Family Transition Program: Implementation and Early Impacts of Florida's Initial Time-Limited Welfare Program. 1997. Dan Bloom, James Kemple, Robin Rogers-Dillon.

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Canada's Self-Sufficiency Project

A test of the effectiveness of a temporary earnings supplement on the employment and welfare receipt of public assistance recipients. Reports on the Self-Sufficiency Project are available from: Social Research and Demonstration Corporation (SRDC), 275 Slater St., Suite 900, Ottawa, Ontario K1P 5H9, Canada. Tel.: 613-237-4311; Fax: 613-237-5045. In the United States, the reports are also available from MDRC.

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Adult Education for People on AFDC: A Synthesis of Research (U.S. Department of Education [ED]/U.S. Department of Health and Human Services [HHS]). 1995. Edward Pauly.

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An evaluation of Los Angeles's refocused GAIN (welfare-to-work) program, which emphasizes rapid employment. This is the first in-depth study of a full-scale "work first" program in one of the nation's largest urban areas.

Changing to a Work First Strategy: Lessons from Los Angeles County's GAIN Program for Welfare Recipients. 1997. Evan Weissman.

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Ohio's LEAP Program

An evaluation of Ohio's Learning, Earning, and Parenting (LEAP) Program, which uses financial incentives to encourage teenage parents on welfare to stay in or return to school.

LEAP: Final Report on Ohio's Welfare Initiative to Improve School Attendance Among Teenage Parents. 1997. Johannes Bos, Veronica Fellerath.

New Chance Demonstration

A test of a comprehensive program of services that seeks to improve the economic status and general well-being of a group of highly disadvantaged young women and their children.

New Chance: Final Report on a Comprehensive Program for Young Mothers in Poverty and Their Children. 1997. Janet Quint, Johannes Bos, Denise Polit.

Parenting Behavior in a Sample of Young Mothers in Poverty: Results of the New Chance Observational Study. 1998. Martha Zaslow, Carolyn Eldred, editors.

Focusing on Fathers

Parents' Fair Share Demonstration

A demonstration for unemployed noncustodial parents (usually fathers) of children on welfare. PFS aims to improve the men's employment and earnings, reduce child poverty by increasing child support payments, and assist the fathers in playing a broader constructive role in their children's lives.

Low-Income Parents and the Parents' Fair Share Demonstration. 1996. Earl Johnson, Fred Doolittle.

Working with Low-Income Cases: Lessons for the Child Support Enforcement System from Parents' Fair Share. 1998. Fred Doolittle, Suzanne Lynn.

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Can They All Work? A Study of the Employment Potential of Welfare Recipients in a Welfare-to-Work Program. 1995. James Riccio, Stephen Freedman.

Florida's Project Independence: Benefits, Costs, and Two-Year Impacts of Florida's JOBS Program. 1995. James Kemple, Daniel Friedlander, Veronica Fellerath.

From Welfare to Work Among Lone Parents in Britain: Lessons for America. 1996. James Riccio.

Education Reform

Career Academies

The largest and most comprehensive evaluation of a school-to-work initiative, this study examines a promising approach to high school restructuring and the school-to-work transition.

Career Academies: Early Implementation Lessons from a 10-Site Evaluation. 1996. James Kemple, JoAnn Leah Rock.

Career Academies: Communities of Support for Students and Teachers — Emerging Findings from a 10-Site Evaluation. 1997. James Kemple.

Career Academies: Building Career Awareness and Work-Based Learning Activities Through Employer Partnerships. 1999. James Kemple, Susan Poglinco, Jason Snipes.

Career Academies: Impacts on Students' Engagement and Performance in High School. 2000. James Kemple, Jason Snipes.

Project GRAD

This evaluation examines Project GRAD, an education initiative targeted at urban schools and combining a number of proven or promising reforms.

Building the Foundation for Improved Student Performance: The Pre-Curricular Phase of Project GRAD Newark. 2000. Sandra Ham, Fred C. Doolittle, Glee Ivory Holton.

LILAA Initiative

This study of the Literacy in Libraries Across America (LILAA) initiative explores the efforts of five adult literacy programs in public libraries to improve learner persistence.

So I Made Up My Mind: Introducing a Study of Adult Learner Persistence in Library Literacy Programs. 2000. John T. Comings, Sondra Cuban.

Project Transition

A demonstration program that tested a combination of school-based strategies to facilitate students' transition from middle school to high school.

Project Transition: Testing an Intervention to Help High School Freshmen Succeed. 1999. Janet Quint, Cynthia Miller, Jennifer Pastor, Rachel Cytron.

Equity 2000

Equity 2000 is a nationwide initiative sponsored by the College Board to improve low-income students' access to college. The MDRC paper examines the implementation of Equity 2000 in Milwaukee Public Schools.

Getting to the Right Algebra: The Equity 2000 Initiative in Milwaukee Public Schools. 1999. Sandra Ham, Erica Walker.

School-to-Work Project

A study of innovative programs that help students make the transition from school to work or careers.

Home-Grown Lessons: Innovative Programs Linking School and Work (Jossey-Bass Publishers). 1995. Edward Pauly, Hilary Kopp, Joshua Haimson.

Home-Grown Progress: The Evolution of Innovative School-to-Work Programs. 1997. Rachel Pedraza, Edward Pauly, Hilary Kopp.

Employment and Community Initiatives

Connections to Work Project

A study of local efforts to increase competition in the choice of providers of employment services for welfare recipients and other low-income populations. The project also provides assistance to cutting-edge local initiatives aimed at helping such people access and secure jobs.

Tulsa's IndEx Program: A Business-Led Initiative for Welfare Reform and Economic Development. 1997. Maria Buck.

Washington Works: Sustaining a Vision of Welfare Reform Based on Personal Change, Work Preparation, and Employer Involvement. 1998. Susan Gooden.

Cost Analysis Step by Step: A How-to Guide for Planners and Providers of Welfare-to-Work and Other Employment and Training Programs. 1998. David Greenberg, Ute Appenzeller.

Designing and Administering a Wage-Paying Community Service Employment Program Under TANF: Some Considerations and Choices. 1999. Kay Sherwood.

San Francisco Works: Toward an Employer-Led Approach to Welfare Reform and Workforce Development. 2000. Steven Bliss.

Jobs-Plus Initiative

A multi-site effort to greatly increase employment among public housing residents.

A Research Framework for Evaluating Jobs-Plus, a Saturation and Place-Based Employment Initiative for Public Housing Residents. 1998. James Riccio.

Mobilizing Public Housing Communities for Work: Origins and Early Accomplishments of the Jobs-Plus Demonstration. 1999. James Riccio.

Building a Convincing Test of a Public Housing Employment Program Using Non-Experimental Methods: Planning for the Jobs-Plus Demonstration. 1999. Howard Bloom.

Jobs-Plus Site-by-Site: An Early Look at Program Implementation. 2000. Edited by Susan Philipson Bloom with Susan Blank.

Section 3 Public Housing Study

An examination of the effectiveness of Section 3 of the 1968 Housing and Urban Development Act in affording employment opportunities for public housing residents.

Lessons from the Field on the Implementation of Section 3 (U.S. Department of Housing and Urban Development). 1996. Maxine Bailey, Suzanne Lynn.

Canada's Earnings Supplement Project

A test of an innovative financial incentive intended to expedite the reemployment of displaced workers and encourage full-year work by seasonal or part-year workers, thereby also reducing receipt of Unemployment Insurance.

Implementing the Earnings Supplement Project: A Test of a Re-employment Incentive (Social Research and Demonstration Corporation). 1997. Howard Bloom, Barbara Fink, Susanna Lui-Gurr, Wendy Bancroft, Doug Tattrie.

Testing a Re-employment Incentive for Displaced Workers: The Earnings Supplement Project. 1999. Howard Bloom, Saul Schwartz, Susanna Lui-Gurr, Suk-Won Lee.

MDRC Working Papers on Research Methodology

A new series of papers that explore alternative methods of examining the implementation and impacts of programs and policies.

Building a Convincing Test of a Public Housing Employment Program Using Non-Experimental Methods: Planning for the Jobs-Plus Demonstration. 1999. Howard Bloom.

Estimating Program Impacts on Student Achievement Using "Short" Interrupted Time Series. 1999. Howard Bloom.

Using Cluster Random Assignment to Measure Program Impacts: Statistical Implications for the Evaluation of Education Programs. 1999. Howard Bloom, Johannes Bos, Suk-Won Lee.

About MDRC

The Manpower Demonstration Research Corporation (MDRC) is a nonprofit, nonpartisan social policy research organization. We are dedicated to learning what works to improve the well-being of low-income people. Through our research and the active communication of our findings, we seek to enhance the effectiveness of social policies and programs. MDRC was founded in 1974 and is located in New York City and San Francisco.

MDRC's current projects focus on welfare and economic security, education, and employment and community initiatives. Complementing our evaluations of a wide range of welfare reforms are new studies of supports for the working poor and emerging analyses of how programs affect children's development and their families' well-being. In the field of education, we are testing reforms aimed at improving the performance of public schools, especially in urban areas. Finally, our community projects are using innovative approaches to increase employment in low-income neighborhoods.

Our projects are a mix of demonstrations — field tests of promising program models — and evaluations of government and community initiatives, and we employ a wide range of methods such as large-scale studies to determine a program's effects, surveys, case studies, and ethnographies of individuals and families. We share the findings and lessons from our work — including best practices for program operators — with a broad audience within the policy and practitioner community, as well as the general public and the media.

Over the past quarter century, MDRC has worked in almost every state, all of the nation's largest cities, and Canada. We conduct our projects in partnership with state and local governments, the federal government, public school systems, community organizations, and numerous private philanthropies.

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